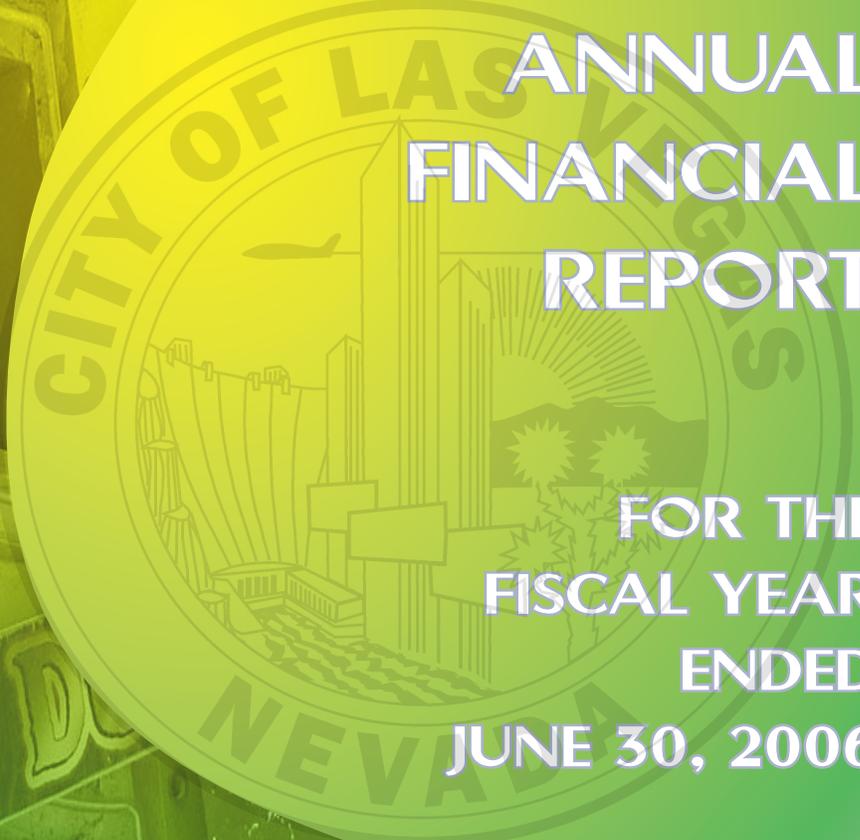




**THE CITY OF LAS VEGAS**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**



**FOR THE  
FISCAL YEAR  
ENDED  
JUNE 30, 2006**



THE CITY OF LAS VEGAS

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

FOR THE  
FISCAL YEAR  
ENDED  
JUNE 30, 2006

Neon Heritage  
NEON MUSEUM  
Silver Slipper • circa 1950's

Prepared by:

The Department of Finance and Business Services

Mark Vincent, CPA, Director

City of Las Vegas • 400 Stewart Avenue

Las Vegas, Nevada 89101

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Photos used on the dividers of this book are from the Neon Museum. The signs are currently being collected on land next to Cashman Field known as the “Neon Boneyard”. It is the hope to preserve these neon icons of the Las Vegas of old. Some can be easily recognized but others are from places almost forgotten.



INTRODUCTORY SECTION

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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Honorable Mayor, Members of the  
City Council, and Citizens of the  
City of Las Vegas, Nevada

LAS VEGAS CITY COUNCIL

October 27, 2006

OSCAR B. GOODMAN  
MAYOR

GARY REESE  
MAYOR PRO TEM

LARRY BROWN  
LAWRENCE WEEKLY  
STEVE WOLFSON  
LOIS TARKANIAN  
STEVEN D. ROSS

DOUGLAS A. SELBY  
CITY MANAGER

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Las Vegas for the fiscal year ended June 30, 2006.

This report consists of management's representations concerning the finances of the City of Las Vegas (City). Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

KPMG LLP, an international public accounting firm fully licensed and qualified to perform audits of state and local governments issued an unqualified "clean" opinion on the City's financial statements for the year ended June 30, 2006. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving administration of federal awards. These reports are available in the Single Audit Section of this report.

CITY OF LAS VEGAS  
400 STEWART AVENUE  
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18112-001-06-05  
CLV 7009

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City was founded in 1905 and incorporated in 1911; it is located in the southern part of the state, and remains among the nation's leading communities in population growth, economic development, and business expansion. Continued development, in conjunction with an increasing population base, has stimulated expansion in jobs, housing, and commercial development. The City currently occupies a land area of 131.3 square miles and serves a population of 591,500. Within statutory limits the City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since January 1, 1944. According to the City Charter, adopted by the State Legislature and in force during the fiscal year, the citizens elect six City Council members and a Mayor who comprise the "Council." The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three members elected every two years. All voters of the City elect the Mayor "at large," and each Council member is elected from one of six wards in the City. Policymaking and legislative authority are vested in the Council. The Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Attorney, and City Auditor. The City Manager is responsible for carrying out the policies of the Council, and along with three Deputy City Managers, oversees the day-to-day operations of the City, including twelve major departments and four support offices. Departments are further divided into divisions to perform their respective functions. The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

This report includes the financial activities of its blended component units: the City of Las Vegas Redevelopment Agency and the City's three Nonprofit Corporations. These component units are legally separate entities for which the City is financially accountable. The report also includes one discretely presented component unit: the Commission for the Las Vegas Centennial for which the City is legally and operationally separated. For additional information, see the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies of the City are required to submit requests for appropriation to the government's Finance & Business Services Department Director on or before the first Wednesday in February each year. These requests are used as the starting point for developing a proposed budget. The proposed budget is presented to Council for review prior to April 30. The council is required to hold public hearings on the proposed budget and adopt a final budget by no later than June 1. The appropriated budget is prepared by fund, function (e.g., public safety), activity (e.g., fire) and department (e.g., Fire and Rescue). Department heads may make transfers of appropriations within a department. Transfers of appropriations between functions, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 40-41 and 88-96 as part of the basic financial statements and other major governmental funds on pages 97-100. For governmental funds, other than the general fund, other major governmental funds, and proprietary funds, with appropriated annual budgets, this comparison is presented in the combining and individual funds statements and schedules subsection of this report, which starts on page 116 and 154, respectively.

Budgetary controls are maintained at the line item level on a departmental basis through the use of a purchase order and encumbrance system. Additional controls consist of the following: a) on-going monitoring of vacant positions; b) on-going monitoring of expenditures; and c) monthly analysis of departmental cost versus budget trends. Revenue monitoring may lead to curtailment of certain expenditures such as new hires, travel or capital outlay. If new programs have been initiated or existing programs change or unanticipated revenue realized, it may be necessary to realign or revise the budget. The City formalizes this procedure by preparing an augmented budget for the current year, which reflects both revenue and expenditures adjustment. Following a public hearing, the augmentation is filed with the State Department of Taxation.

## **Local Economy.**

The City enjoys a favorable economic environment, and local indicators point to continued stability. The Las Vegas Metropolitan Service Area (MSA) is an international destination. Las Vegas MSA offers more hotel/motel rooms than any other U.S. city, with a current room count of just over 133,000 and available convention space in excess of 9.5 million square feet in calendar year 2006. Hotel/casino developers have proposed an additional 3,300 rooms. Calendar year (CY) 2005 saw 38.6 million visitors that generated \$36.7 billion in tourism revenues.

The Las Vegas MSA continued to attract about 5,700 new residents each month during CY 2005, substantiating Las Vegas as a safe, vibrant, livable community. Unemployment in the MSA is 4.6 percent, compared with 4.5% for the state of Nevada and a national average of 4.8 percent. The scarcity of land and the increased cost of construction, labor and materials are shifting housing design from urban to suburban development in order to continue to meet the housing needs of valley residents. New resorts, new attractions, new freeway expansions, new jobs and new neighborhoods all combine to create a healthy and stable local economy with a high quality of life.

## **Long-term Financial Planning.**

The City uses a series of planning processes to ensure that strategic operational goals and objectives are met within the reality of the fiscal budget, for both the operating and five-year capital plan. The City's planning process begins with an assessment of community perceptions, followed by an executive team retreat and a City Council strategic planning meeting. These planning meetings establish consensus, priority definition, alignment measurement and understanding, and a framework for the future. The strategic alignment is followed by a series of reviews and analysis of budget requests submitted by various departments. The staff of the Financial Services Division, management of each department, the City Manager's Office, and a Citizens Priority Advisory Committee (CPAC) are all involved to ensure that the scope and quality of the services and capital projects to be funded via the budget are aligned with the needs and desires of the community and reflected in the Strategic Plan, and that the expenditures required are within the resources available to the City. CPAC is a five-member body of community-minded Las Vegas residents appointed by the City Council. The Mayor and Council participate in an annual workshop designed to fine tune the resource alignment, and the final budget is approved and adopted by the City Council and filed with the City Clerk, County Clerk, and Nevada Department of Taxation by June 1 of each year.

## **Major Initiatives**

The City of Las Vegas continues to make leisure and recreation projects a high priority, consistent with our Strategic Plan. For FY 2007 we have budgeted to spend \$184 million on parks projects and \$57 million on recreation projects, including a 98,000 square foot multi-purpose community and leisure center in Centennial Hills, a 47-acre ball field complex adjacent to the Lone Mountain Detention Basin, and a public-private 30-acre sports park complex planned as the next phase of the redevelopment of Freedom Park in the eastern area of the City.

Also, the City has budgeted to spend \$199 million for roadway improvements and \$47 million for storm and flood drainage systems in FY 2007. The vast majority of these projects were master planned and funded through our regional planning agencies, the Regional Transportation Commission and the Clark County Regional Flood Control District, and will allow the City to stay ahead of the development growth curve.

Significant activity continues to occur in the Downtown core of the City. The City is committed to revitalizing the Downtown area by transforming it into an urban mix of office, residential, commercial, and entertainment. For example, over the last several years 526 new residential units have been built in the Downtown area, and there are another 1,674 that are under construction. Additionally, 14,435 residential units have been approved spanning 28 projects, and that does not include the approved master plan for Union Park, a 61-acre site.

The City and City Parkway V, a component unit of the City, are currently developing Union Park located in the heart of downtown Las Vegas. The City has partnered with a private developer to assist in the planning and development of this site which contemplates 2.2 million square feet of Class A office space, 470 thousand square feet of ground-floor retail space, 3,600 high-rise residential units, and 1,750 new hotel rooms. Development agreements have already been executed on the 61-acres for the construction of the Lou Ruvo Alzheimer's Institute, designed by world-renowned architect Frank Gehry, as well as the Smith Center for the Performing Arts, a 2,000-plus seat performing arts center. The City has funded

the Phase I infrastructure for this project, estimated at \$40 million, which will ultimately be refunded through proceeds from the lot sales as well as tax increment from the development.

Across the street from the Union Park site is the privately funded World Market Center, a state-of-the art home furnishings complex that attracts thousands of furniture buyers and retail sellers from around the nation and globe. Phase I of this complex was completed in 2005, and consists of a 10-story venue comprised of 1.3 million square feet and 230 showrooms. Phase II, a 16-story building with 1.6 million square feet that will house approximately 300 tenants will be completed in time for the January 2007 trade show. The third building, Phase III, broke ground in the fourth quarter of 2006. This 16-story building, offering 2.1 million square feet of office and showroom space, is scheduled for completion in 2008. Due to the project's success, the planned build-out is now estimated at 12 million square feet, which could make the campus the largest, most comprehensive trade show complex in the world.

All of these Downtown projects have had, and will continue to have substantial economic impact in the Downtown area, the re-urbanization and re-vitalization of which has been a major initiative of the City of Las Vegas.

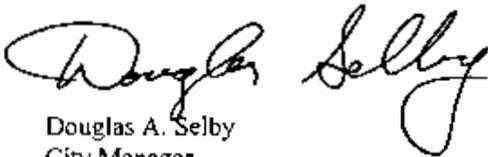
### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2005. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both GAAP and applicable legal requirements.

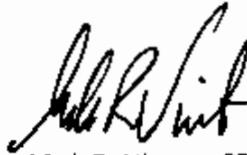
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 26 consecutive years (fiscal years 1980-2005). The City believes that this current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and is submitting it to the GFOA.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the staff of the Finance and Business Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Douglas A. Selby  
City Manager



Mark R. Vincent, CPA  
Director of Finance and Business Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Las Vegas  
Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

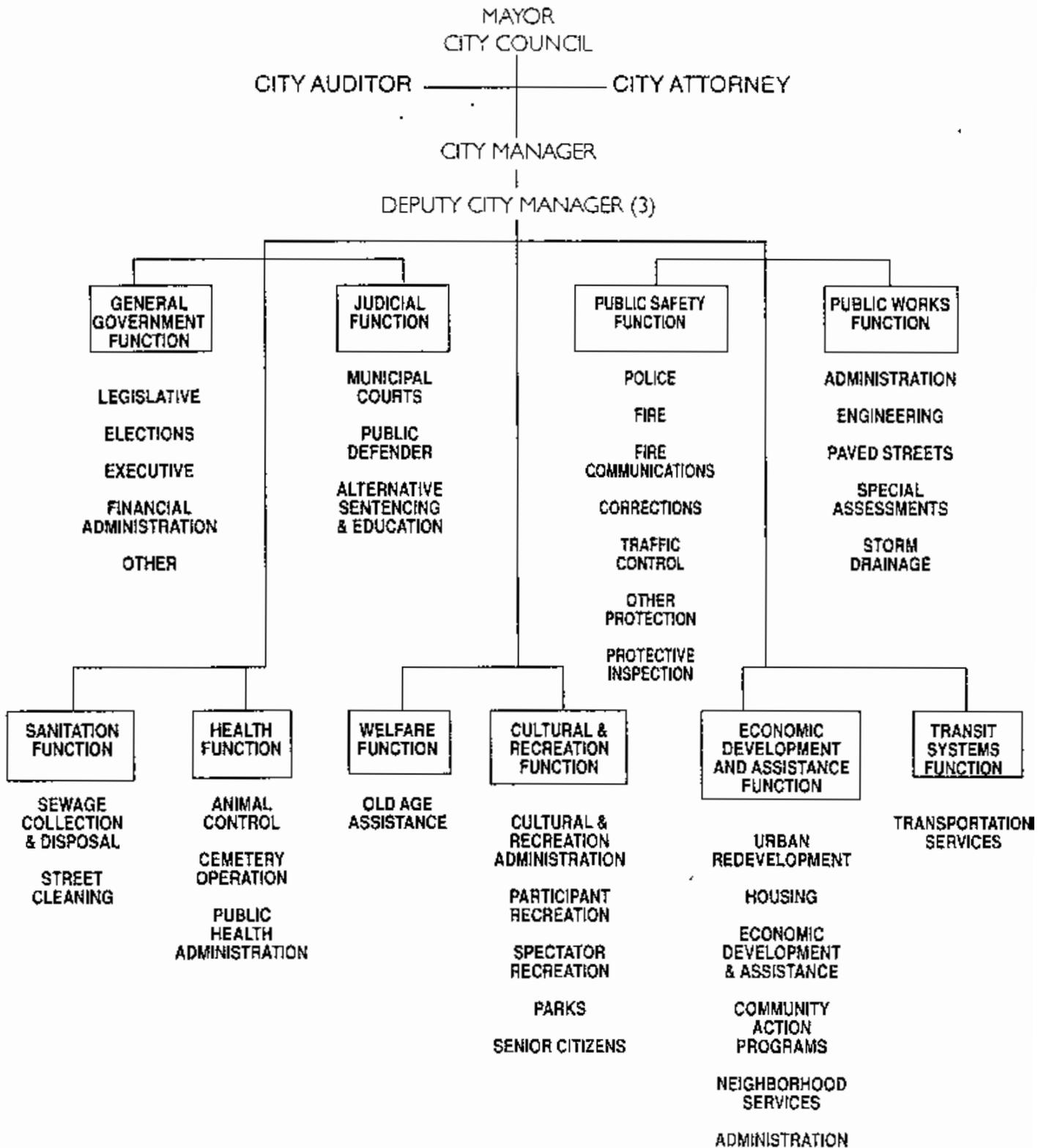


President

Executive Director

# CITY OF LAS VEGAS

## TABLE OF ORGANIZATION BY FUNCTION AND ACTIVITY



# CITY OF LAS VEGAS

## OFFICIALS



Mayor  
OSCAR B. GOODMAN  
Elected At Large



Councilmember  
Mayor Pro-Tem  
GARY REESE  
WARD 3



Councilmember  
LARRY BROWN  
WARD 4



Councilmember  
LAWRENCE WEEKLY  
WARD 5



Councilmember  
STEVE WOLFSON  
WARD 2



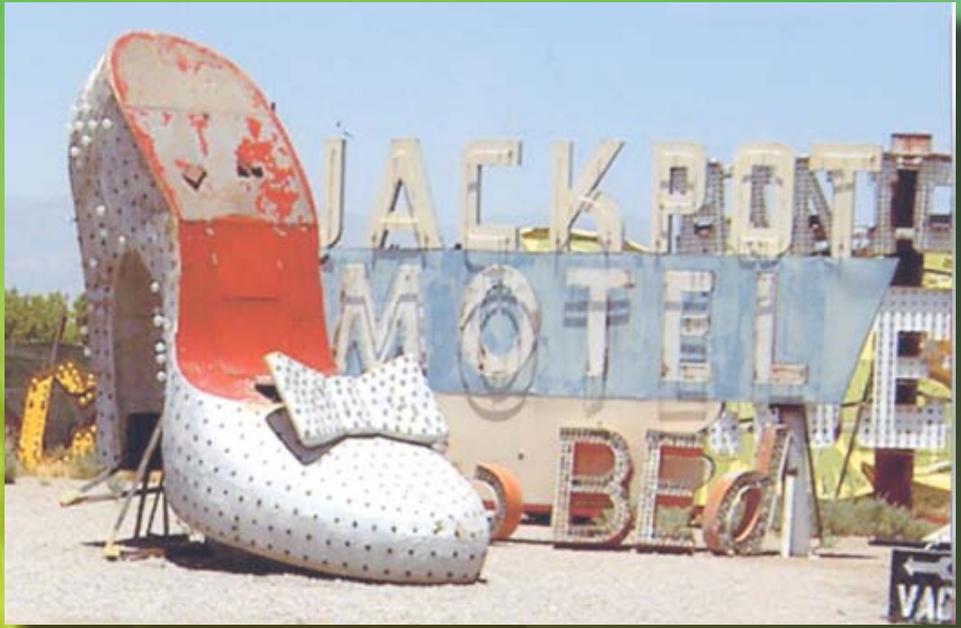
Councilmember  
LOIS TARKANIAN  
WARD 1



Councilmember  
STEVEN D. ROSS  
WARD 6

City Manager  
DOUGLAS SELBY

CITY OF LAS VEGAS  
ALL DEPARTMENTS  
Weekdays 8:30 A.M to 4:30 P.M.  
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[www.lasvegasnevada.gov](http://www.lasvegasnevada.gov)



**FINANCIAL SECTION**

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**KPMG LLP**  
Suite 2000  
355 South Grand Avenue  
Los Angeles, CA 90071-1568

## **Independent Auditors' Report**

The Honorable Mayor, City Council,  
and City Manager  
City of Las Vegas, Nevada:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Las Vegas, Nevada (the City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2006, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 15 through 25 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The combining and individual nonmajor financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

October 27, 2006

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

As management of the City of Las Vegas, Nevada (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City of Las Vegas as of and for the year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5 - 8 of this report.

## Financial Highlights

The assets of the City exceeded its liabilities at the close of fiscal year ended June 30, 2006, by \$3,215,950,065. Governmental activities represent \$2,674,670,630 of the total net assets and \$541,279,435 are from business-type activities.

- The government-wide net capital assets totaled \$2,931,233,440. Governmental activities contributed \$2,397,129,414 and business-type activities contributed \$534,104,026. Major additions included \$21,259,522 in sewer lines, \$106,797,137 in road additions and \$49,767,302 in storm drains. Depreciation is reflected on all City-owned depreciable assets. Depreciation expense totaling \$84,617,882 is included in the government-wide statements.
- At the close of fiscal year 2006, the City's governmental funds reported combined ending fund balances of \$485,384,302. Of this total amount, \$153,722,198 is unreserved and undesignated. The unreserved and undesignated amounts consist of \$92,788,640 from the General Fund, \$57,963,408 from the Special Revenue Funds and \$2,970,150 from the Debt Service Funds.
- The general fund had a total fund balance of \$97,699,827 at June 30, 2006, which represented 20 percent of total General Fund revenues. The unreserved and undesignated portion of the fund balance was \$92,788,640. It is the City's fiscal policy to maintain a total ending fund balance in the general fund of at least 12 percent of operating revenues.
- The City's primary revenue sources are ad valorem taxes of \$120,802,530 and consolidated taxes of \$264,253,250. Combined, these two sources represent 53 percent of the total governmental activities revenue of \$729,014,052 from the statement of activities.
- The City's total debt had a net increase of \$13,798,282. Contributing factors were the issuance of \$121,960,000 in general obligation revenue bonds and \$818,000 in special assessment bonds. Debt decreased by \$108,979,718 from debt payments and bond refundings during the current fiscal year.
- Government-wide total governmental expenses were \$587,514,303. The major expense functions were Public Safety at \$286,804,600, Public Works at \$92,056,014, General Government at \$98,031,717, and Culture and Recreation at \$52,119,648. Business-type activities (*proprietary funds*) operating and non-operating expenses totaled \$95,235,718.

## Overview of the Basic Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user

CITY OF LAS VEGAS, NEVADA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2006

fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, public works, sanitation, welfare, health, culture and recreation, economic development and assistance, transit systems, and interest on long-term debt. The business-type activities of the City include operations of its water pollution control facility (sanitation), municipal golf course, municipal parking, building permits and inspections, video production and nonprofit corporation activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the activities of legally separate component units: City of Las Vegas Redevelopment Agency, and Non-Profit Corporations. Because the City Council acts as the governing board or has oversight power for each of these component units, their activities are blended with those of the primary government because they function as part of the City. The City also reports one discretely presented component unit; The Commission for the Las Vegas Centennial, which is both legally and operationally separate.

By state statute, the City and Clark County are partners in a joint venture that created the Las Vegas Metropolitan Police Department (LVMPD). A five-member fiscal affairs committee approves the LVMPD budget and related business matters. The committee is composed of two appointees each from the City and the County, and one appointee from the general public. The statute defines the funding formula shared by the City and the County. Complete financial information for the LVMPD is included in the comprehensive annual financial statements of Clark County, Nevada.

Additional information on the joint venture can be found in the notes to the government-wide financial statements on page 62 of this report. In addition to funding its share of the LVMPD, the City maintains its own detention facility and a small police force that has jurisdiction over City property, especially parks and recreation facilities.

The government-wide financial statements can be found on pages 28-31 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Las Vegas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the following capital project funds: Parks and Leisure Activities, Road and Flood, City Facilities, and Special Assessments. Each of these funds is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the Combining and Individual Funds Statements and Schedules subsections of this report.

The City adopts an annual appropriated budget for its general fund and each of its special revenue funds, debt service fund, capital project funds and its permanent fund. A budgetary comparison statement is provided for each of the City's governmental funds to demonstrate compliance with this budget. The budgetary comparison statements for the general fund, a major governmental fund, is located in the basic financial statements; the budgetary comparison statements for the Parks and Leisure Activities, Road and Flood, City Facilities, and Special Assessments Capital Projects funds, also major governmental funds, and the other Non-major governmental funds are included in the Combining and Individual Fund Statements and Schedules subsection of this report.

The basic governmental fund financial statements can be found on pages 32-41 of this report.

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**Proprietary funds.** The City maintains two different types of proprietary funds.

1. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its golf course, sewer, parking, video production, and development services as well as its non-profit corporations.
2. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the following activities:
  - Emergency dispatch services
  - Reprographics equipment and operations
  - Vehicle, computer and phone management
  - Self-insurance activities, including:
    - Liability insurance and property damage
    - Employee benefit
  - Fire equipment acquisition
  - Miscellaneous and inventory stores

Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sanitation Enterprise Fund and Non-Profit Corporations, which are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the Combining and Individual Funds Statements and Schedules subsections of this report.

The basic proprietary fund financial statements can be found on pages 42-46 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's Fiduciary funds consist of three Agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary funds financial statement can be found on page 47 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 48-85 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, the report also presents a subsection titled Combining and Individual Funds Statements and Schedules, which includes the combined statements for the City's major governmental funds – budget and actual, non-major governmental funds, major proprietary funds - budget and actual, non-major proprietary funds, internal service funds and fiduciary funds, together with information on capital assets used in the operation of governmental funds (those not included in internal service funds). Combining and individual fund statements and schedules, and information on governmental fund capital assets can be found on pages 88-191 of this report.

The Statistical section can be found on pages 193-215 of this report. This section includes schedules on statistical information provided on a basis for historical analysis.

The Compliance section can be found on pages 217-219 of this report. This section includes a schedule in compliance with state statutes.

The Single Audit section can be found on pages 221-237 of this report. This section presents a schedule of expenditures of federal awards for the City, related notes and a schedule of findings and questioned costs.

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of City of Las Vegas, assets exceeded liabilities by \$3,215,950,065 at the close of the most recent fiscal year.

The largest portion of the net assets (83 percent) reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net assets increased by 7 percent or \$205,246,160.

**City of Las Vegas Net Assets  
As of June 30, 2006 and 2005**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>FY2006</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2005</u>
Current and other assets	\$ 609,756,160	\$ 528,203,207	\$ 137,051,921	\$ 85,327,003	\$ 746,808,081	\$ 613,530,210
Net capital assets	<u>2,397,129,414</u>	<u>2,307,566,720</u>	<u>534,104,026</u>	<u>530,630,331</u>	<u>2,931,233,440</u>	<u>2,838,197,051</u>
Total assets	<u>3,006,885,574</u>	<u>2,835,769,927</u>	<u>671,155,947</u>	<u>615,957,334</u>	<u>3,678,041,521</u>	<u>3,451,727,261</u>
Long-term liabilities						
outstanding	281,895,623	253,990,376	119,037,642	128,425,951	400,933,265	382,416,327
Other liabilities	<u>50,319,321</u>	<u>49,901,946</u>	<u>10,838,870</u>	<u>8,705,083</u>	<u>61,158,191</u>	<u>58,607,029</u>
Total liabilities	<u>332,214,944</u>	<u>303,892,322</u>	<u>129,876,512</u>	<u>137,131,034</u>	<u>462,091,456</u>	<u>441,023,356</u>
Net assets:						
Invested in capital assets, net of related debt	2,242,515,613	2,139,939,327	420,323,186	407,001,616	2,662,838,799	2,546,940,943
Restricted	111,682,940	49,685,494			111,682,940	49,685,494
Unrestricted	<u>320,472,077</u>	<u>342,252,784</u>	<u>120,956,249</u>	<u>71,824,684</u>	<u>441,428,326</u>	<u>414,077,468</u>
Total net assets	<u>\$ 2,674,670,630</u>	<u>\$ 2,531,877,605</u>	<u>\$ 541,279,435</u>	<u>\$ 478,826,300</u>	<u>\$ 3,215,950,065</u>	<u>\$ 3,010,703,905</u>

The City's total net assets are \$3,215,950,065, of which \$441,428,326 are *unrestricted net assets*, which may be used to meet the City's ongoing obligations to citizens and creditors. An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 96 percent is for construction and maintenance of capital projects, 3 percent is for repayment of long-term debt and 1 percent is for cemetery perpetual care.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities.** Governmental activities increased the City's net assets by \$142,793,025, thereby contributing to a 5 percent increase in total net assets of the City of Las Vegas. This is the result of basic budget policies, which include: appropriations for ongoing expenditures will not exceed ongoing revenues; one-time revenues will only be used for one-time expenses; and the ending fund balance should equal at least 12 percent of operating revenues. Key elements of this increase are as follows:

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**City of Las Vegas Changes in Net Assets  
For the Years Ended June 30, 2006 and 2005**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>FY2006</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 171,475,332	\$ 152,934,497	\$ 108,461,798	\$ 93,883,974	\$ 279,937,130	\$ 246,818,471
Operating grants and contributions	8,091,874	17,259,869	381,987	179,206	8,473,861	17,439,075
Capital grants and contributions	133,210,119	118,912,970	40,707,015	37,255,226	173,917,134	156,168,196
General revenues:						
Consolidated tax	264,253,250	238,040,861			264,253,250	238,040,861
Property taxes	120,802,530	109,165,822			120,802,530	109,165,822
Room tax	4,108,959	3,905,794			4,108,959	3,905,794
Residential construction tax	4,034,185	2,416,431			4,034,185	2,416,431
Motor vehicle fuel tax	8,793,580	8,102,638			8,793,580	8,102,638
Unrestricted investment earnings	13,074,402	11,009,029	2,744,306	1,906,541	15,818,708	12,915,570
Gain on disposal of capital assets	1,169,821	2,485,236	6,687,023		7,856,844	2,485,236
Total revenues	<u>729,014,052</u>	<u>664,233,147</u>	<u>158,982,129</u>	<u>133,224,947</u>	<u>887,996,181</u>	<u>797,458,094</u>
Expenses:						
General government	98,031,717	94,605,374			98,031,717	94,605,374
Judicial	23,508,217	21,159,762			23,508,217	21,159,762
Public safety	286,804,600	270,215,868			286,804,600	270,215,868
Public works	92,056,014	63,383,811			92,056,014	63,383,811
Welfare	1,000,496	927,388			1,000,496	927,388
Health	2,633,376	2,507,229			2,633,376	2,507,229
Culture and recreation	52,119,648	49,460,934			52,119,648	49,460,934
Economic development and assistance	19,889,792	23,682,201			19,889,792	23,682,201
Transit systems	1,277,857	1,463,273			1,277,857	1,463,273
Interest on long-term debt	10,192,586	10,388,497			10,192,586	10,388,497
Sanitation		147,490	71,095,732	70,286,572	71,095,732	70,434,062
Development services			15,107,741	14,477,021	15,107,741	14,477,021
Parking			4,008,423	3,688,793	4,008,423	3,688,793
Golf course			3,015,810	2,969,234	3,015,810	2,969,234
Video production			1,584,235	1,353,538	1,584,235	1,353,538
Land development			423,777	941,594	423,777	941,594
Total expenses	<u>587,514,303</u>	<u>537,941,827</u>	<u>95,235,718</u>	<u>93,716,752</u>	<u>682,750,021</u>	<u>631,658,579</u>
Change in net assets before transfers	141,499,749	126,291,320	63,746,411	39,508,195	205,246,160	165,799,515
Transfers	1,293,276	1,461,608	(1,293,276)	(1,461,608)		
Change in net assets	<u>142,793,025</u>	<u>127,752,928</u>	<u>62,453,135</u>	<u>38,046,587</u>	<u>205,246,160</u>	<u>165,799,515</u>
Net assets – July 1	<u>2,531,877,605</u>	<u>2,404,124,677</u>	<u>478,826,300</u>	<u>440,779,713</u>	<u>3,010,703,905</u>	<u>2,844,904,390</u>
Net assets – June 30	<u>\$ 2,674,670,630</u>	<u>\$ 2,531,877,605</u>	<u>\$ 541,279,435</u>	<u>\$ 478,826,300</u>	<u>\$ 3,215,950,065</u>	<u>\$ 3,010,703,905</u>

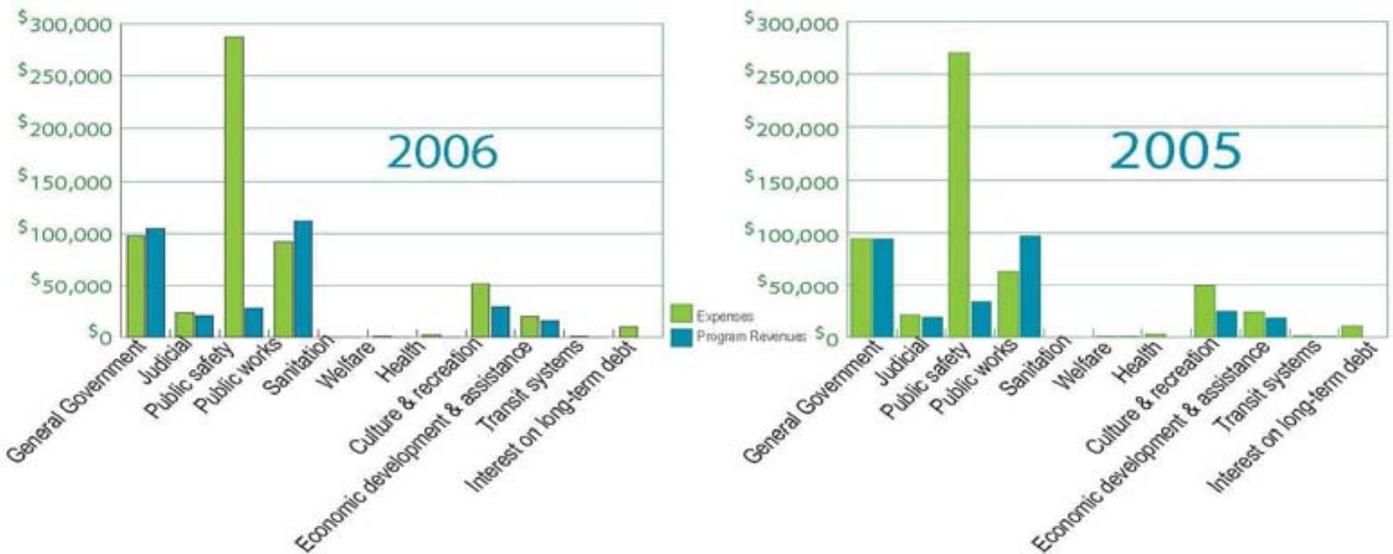
CITY OF LAS VEGAS, NEVADA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Program revenues for governmental activities include charges for services, licenses and permits, special assessments, inter-governmental fines and forfeitures, and both operating and capital grants and contributions. Program revenues of the governmental activities provided 53 percent of the resources necessary to pay the cost of providing program services. The remaining program costs were financed from general revenues. The value of contributions from developers of infrastructure assets was \$44,478,395, governmental activities was \$36,976,295 and business-type activities was \$7,502,100, and is included in program revenues.

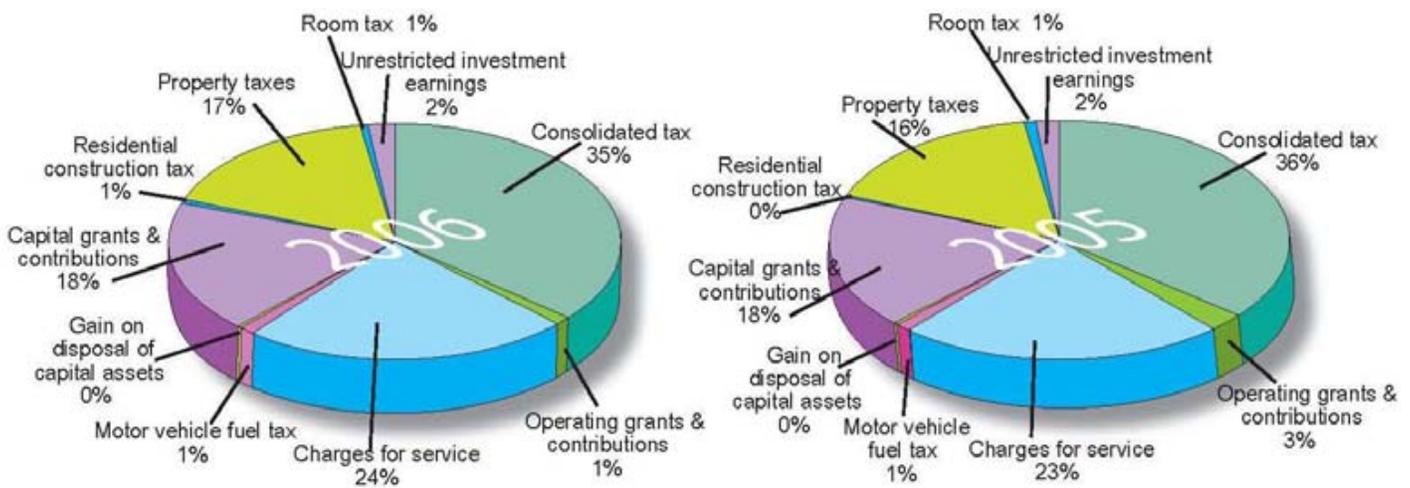
The largest general revenues are consolidated tax of \$264,253,250 and Ad Valorem tax (property tax) of \$120,802,530, representing 53 percent of total governmental revenues. Each of these tax revenues increased 11 percent during the year, attributable to continued increases in visitor volume and convention attendance, a 3 percent increase in population, and a 30 percent increase in assessed property values.

Expenditures in public works of \$92,056,014 and public safety of \$286,804,600 represent 64 percent of the total governmental expenditures. Public works' major expenditures consist of planning and engineering of the City's arterial street and floodwater conveyance systems. Public safety's major expenditures are payments to Las Vegas Metropolitan Police Department, Fire and Rescue Department, and Detention and Correctional Services Department.

Expenses & Program Revenues—Governmental Activities  
 (in thousands)



Revenues by Source—Governmental Activities



CITY OF LAS VEGAS, NEVADA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

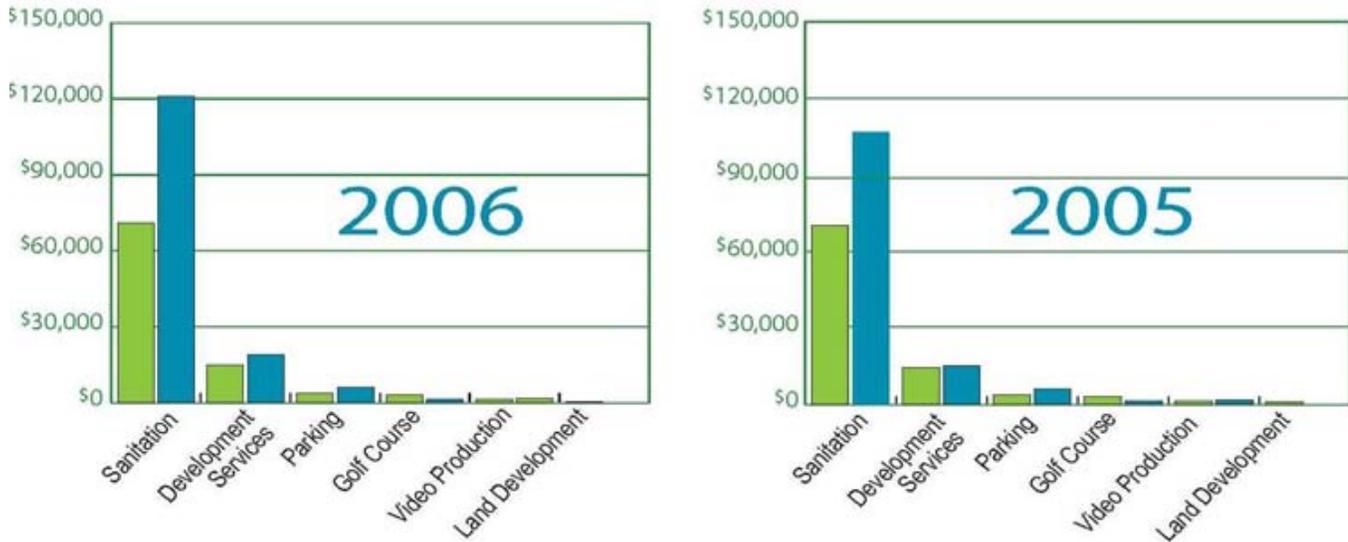
**Business-type activities.** Business-type activities increased the City's net assets by \$62,453,135. Key elements of this increase were charges for sewer services fees and connection charges, and building permits, which consisted of 80 percent of total program revenues.

Of this increase in net assets, \$50.5 million is in the Sanitation Enterprise Fund. Thirty percent of this increase is in the investment in capital assets, and 70 percent in unrestricted net assets. This results from annual increases in service fees and connection charges in anticipation of capital expansion needs to meet the demands for services in an area of continued dynamic population growth.

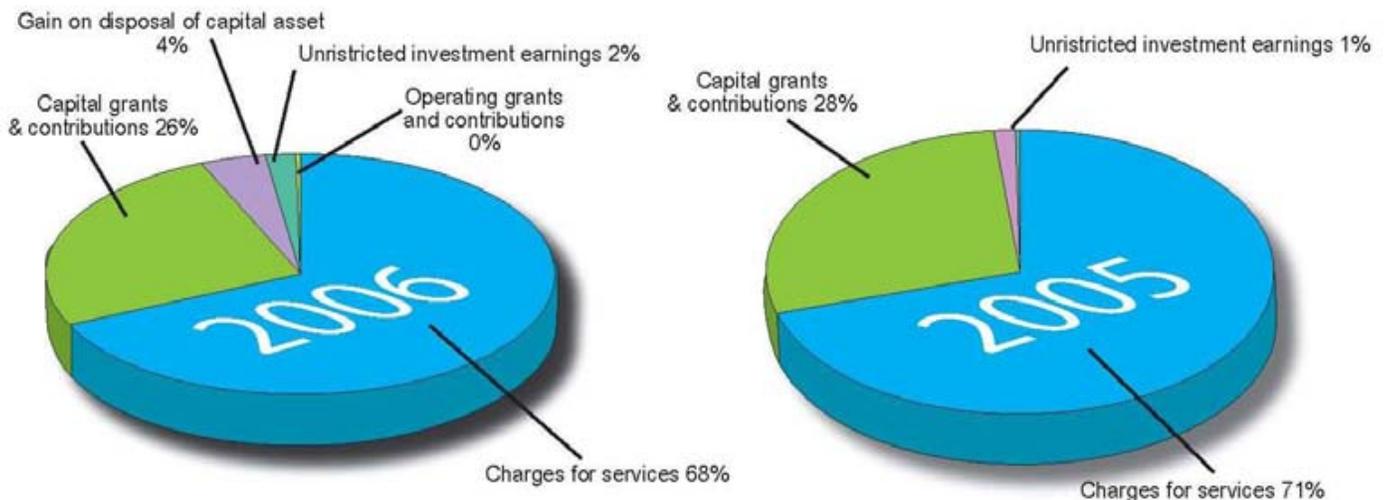
Sanitation-related expenses represent 75 percent of total expenses for business-type activities. These expenses included operations at the water pollution control facility, maintenance of sewer lines and storm drainage, and street cleaning.

Business-type activities program revenues provided 157 percent of the resources to finance their operations.

Expenses & Program Revenues—Business-type Activities  
 (in thousands)



Revenues by Source—Business-type Activities



CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

## Financial Analysis of City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-regulated legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on current inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$485.4 million, an increase of \$69.7 million over the prior year. Approximately, \$467.7 million or 96 percent of this total fund balance constitutes unreserved fund balance. Of that total, \$304 million has been designated for construction projects and \$9.9 million for redevelopment projects, leaving the remaining \$153.8 million as undesignated and available for spending at the City's discretion. The remaining \$17.7 million fund balance is reserved and is not available for spending as it has already been committed: (1) \$11 million to pay debt service, (2) \$.4 million non-current loans receivable, (3) \$1.5 million for the perpetual care of the cemetery, (4) \$4.4 million for unfunded Las Vegas Metro Police self insurance liability, and (5) prepaid items \$.4 million.

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unreserved fund balance in the General Fund was \$92.8 million and total fund balance was \$97.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.3 percent of total fund expenditures and transfers out while total fund balance represents 20.3 percent of that same amount.

The fund balance of the City's General Fund increased by \$23.4 million during the current fiscal year. Key factors in this change are as follows:

- Total revenue and transfers-in exceeded the prior year by \$45.1 million or 9.8 percent. Increases were realized in all major categories, with the largest increase seen in intergovernmental revenues. This increase is primarily from consolidated tax.
- Total expenditures and transfers out of \$480.6 million exceeded the prior year by \$33.3 million or 7.4 percent. The increase was driven primarily by public safety costs, which increased \$23.1 million or 9.3 percent. Transfers out of \$46.7 million increased from the prior year by \$1.2 million or 2.6 percent as a result of increasing capital project awards.

The Special Assessments' fund balance at June 30, 2006, was \$43.9 million, a decrease of \$12.8 million, all of which is unreserved and designated for construction projects. The City collected \$2.1 million of assessments on non-developer projects and expended \$1.4 million on future special assessments to be levied on property owners.

The City Facilities capital projects fund has a total fund balance of \$50.6 million, all of which is unreserved and designated for construction projects. The net decrease in fund balance during the current year in this fund was \$5.3 million.

The Parks and Leisure Activities capital projects fund has a total balance of \$112.6 million, all of which is unreserved and designated for construction projects. The net increase in fund balance during the current year was \$35.1 million. The City received bond proceeds of approximately \$47.8 million to construct the 47-acre Alexander-Hualapai softball complex and the Freedom Park Big League Dreams softball facility.

**Enterprise Funds.** The City's enterprise funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Net assets of the proprietary funds totaled \$538 million of which the Sanitation Fund had \$485.5 million in net assets. The total growth of the proprietary funds was \$61.5 million while the Sanitation Fund grew \$50.5 million. The Sanitation Fund was established to account for the City-owned and operated sewer system in the City of Las Vegas and service provided to North Las Vegas. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**Internal Service Funds.** The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its computer services, communications, graphic arts, automotive operations (including fire equipment), and the centralized purchasing of certain office supplies. The City also uses internal service funds to account for its self-insurance activities, including liability insurance, workers' compensation, property damage insurance and employee benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

### **General Fund Budgetary Highlights**

Budgeted appropriations increased \$25 million between the original budget and the final augmented budget. This represents an increase of 5.2 percent over original appropriations of \$480.1 million. The major change is a \$30.5 million increase in transfers out (including \$13.4 million for parks and recreation center construction). The increase was funded chiefly by the anticipated collection of \$12 million in consolidated tax over the original budget and \$13 million in excess fund balances carrying over from the prior year. During the year, revenues met estimates and expenditures were less than budgetary estimates by 4.9 percent, resulting in an increase of fund balances of \$23.4 million.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Las Vegas and its blended component units' investment in capital assets for its governmental and business-type activities amounts to \$2,931,233,440 (net of accumulated depreciation of \$913,183,833) as of June 30, 2006. Capital assets include land, buildings, improvements, machinery & equipment and vehicles, wastewater systems, infrastructures (roadways, traffic signals and lighting, signage, pavement markers, storm drainage and sanitary sewer lines), and construction in progress. For the current fiscal year, the City's net increase in capital assets was 4.7 percent before depreciation (5 percent for governmental activities and 3.3 percent for business-type activities).

The City has an aggressive capital improvement program totaling over \$1.9 billion over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in six categories: general government, public safety, sanitation, public works, culture and recreation, and economic development and assistance. Among these categories, the major projects include: new park and leisure facilities (\$784.3 million), general City facilities (\$264.6 million), and road and flood construction (\$554 million).

### **Major capital asset events during the current fiscal year included the following:**

Construction in progress decreased \$37.1 million due mainly to the completion of street construction projects in new residential developments and widening and expansion for existing streets. Current construction costs include \$1.5 million for new fire stations, several park, recreation and trail projects totaling \$35.4 million, and road work and storm drainage projects totaling \$46.1 million. In the current year, the fire department purchased \$1.2 million in new vehicles and general fleet purchases increased by \$3.3 million.

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Additional information on capital assets can be found in Note 9 on pages 63-65 of this report.

**City of Las Vegas Capital Assets**

(net of depreciation)  
As of June 30,

	Governmental		Business-type		Total	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005
Land	\$ 845,276,020	\$ 842,965,034	\$ 41,730,489	\$ 43,002,485	\$ 887,006,509	\$ 885,967,519
Construction in progress	184,821,953	222,002,671	19,830,917	19,725,277	204,652,870	241,727,948
Land improvements	104,863,126	103,544,006	9,571,572	10,229,473	114,434,698	113,773,479
Sewer plant improvements			212,128,973	222,104,832	212,128,973	222,104,832
Buildings	126,899,458	126,823,467	17,329,101	17,822,560	144,228,559	144,646,027
Building improvements	46,246,347	44,889,236	518,584	485,913	46,764,931	45,375,149
Sewer lines			231,487,525	215,530,527	231,487,525	215,530,527
Machinery and equipment	13,053,260	15,649,756	1,506,865	1,729,264	14,560,125	17,379,020
Vehicles	20,797,626	19,604,969			20,797,626	19,604,969
Roadways	599,593,601	520,577,395			599,593,601	520,577,395
Traffic pavement markers	790,520	965,838			790,520	965,838
Traffic signals and lighting	56,129,327	53,390,871			56,129,327	53,390,871
Traffic signage	722,553	576,080			722,553	576,080
Storm drainage	397,935,623	356,577,397			397,935,623	356,577,397
<b>Total</b>	<b>\$ 2,397,129,414</b>	<b>\$ 2,307,566,720</b>	<b>\$ 534,104,026</b>	<b>\$ 530,630,331</b>	<b>\$ 2,931,233,440</b>	<b>\$ 2,838,197,051</b>

**Long-term debt.** At the end of the current fiscal year, the City and its blended component units total bonded debt outstanding was \$351,849,558, exclusive of deferred issuance costs. Of this amount, \$108,540,358 comprises general obligation debt backed by the full faith and credit of the government, \$236,330,000 of general obligation debts additionally secured by specified revenue sources, and \$6,979,200 of special assessment debt for which the City is obligated in the event of default by the bonded property owners.

**City of Las Vegas Outstanding Debt**

General Obligation and Revenue Bonds and Warrants

(before amortization of premiums, discounts and unamortized debt refunding transaction)

	Governmental		Business-type		Total	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005
General obligation bonds	\$ 1,860,000	\$ 2,745,000	\$	\$	\$ 1,860,000	\$ 2,745,000
General obligation medium-term bonds	76,260,358	90,448,285			76,260,358	90,448,285
General obligation tax increment revenue bonds	30,420,000	33,755,000			30,420,000	33,755,000
	<u>108,540,358</u>	<u>126,948,285</u>			<u>108,540,358</u>	<u>126,948,285</u>
Special assessment bonds	6,979,200	6,866,600			6,979,200	6,866,600
Warrants		1,066,391				1,066,391
General obligation revenue bonds	119,115,000	76,925,000	117,215,000	126,245,000	236,330,000	203,170,000
<b>Total</b>	<b>\$ 234,634,558</b>	<b>\$ 211,806,276</b>	<b>\$ 117,215,000</b>	<b>\$ 126,245,000</b>	<b>\$ 351,849,558</b>	<b>\$ 338,051,276</b>

CITY OF LAS VEGAS, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The City and its blended component units total debt increased by \$13,798,282 during the current fiscal year. The change was a result from the increase in new bond issuances for special assessment local improvements of \$818,000, general obligation recreation bonds of \$47,000,000, general obligation refunding bonds of \$43,040,000, sewer general obligation refunding bonds of \$31,920,000, and debt principal and refunding payments of \$108,979,718.

State statutes and City Charter limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the City is \$3,295,511,408, significantly in excess of the City's outstanding general obligation debt.

The City maintains an AA rating from Fitch, an AA rating from Standard and Poors (S&P) Corporation, and an Aa3 rating from Moody's Investors Service. These ratings apply to all of the City's bond issues except for the Redevelopment Agency whose S&P rating is BBB+.

Additional information on the City's long-term debt can be found in Note 12 on pages 68-75 of this report.

### **Economic Factors**

For fiscal year 2007 the assessed valuation of the City is \$22,028,939,538 with a combined tax rate of \$0.7777 apportioned to the City per \$100 of assessed value.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Las Vegas finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Business Services Department, 400 Stewart Avenue, Las Vegas, Nevada, 89101.

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# Basic Financial Statement





CITY OF LAS VEGAS  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMMISSION FOR THE LAS VEGAS CENTENNIAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 386,656,425	\$ 121,220,429	\$ 507,876,854	\$ 1,845,495
Investments	99,083,620		99,083,620	
Receivables net of allowance:				
Property taxes	2,629,642		2,629,642	
Consolidated taxes	47,370,546		47,370,546	
Gaming tax	540		540	
Accounts	2,494,004	10,499,597	12,993,601	
Interest	2,307,756	612,348	2,920,104	16,157
Loans	5,758,180	5,196,200	10,954,380	
Special assessments	7,211,826		7,211,826	
Intergovernmental	32,766,703	4,899,156	37,665,859	
Internal balances	8,812,377	(8,812,377)		
Land held for resale	6,679,832		6,679,832	
Inventories	3,232,650	2,270,510	5,503,160	
Prepaid items	446,706	273,852	720,558	2,137
Deposits	23,580	26,191	49,771	
Deferred charges	2,808,892	866,015	3,674,907	
Restricted assets:				
Permanently restricted:				
Cash and cash equivalents	38,773		38,773	
Investments	1,434,108		1,434,108	
Capital assets:				
Land and construction in progress	1,030,097,973	61,561,406	1,091,659,379	
Depreciable improvements, buildings, machinery and equipment, and infrastructure, net of depreciation	1,367,031,441	472,542,620	1,839,574,061	
<b>TOTAL ASSETS</b>	<b>3,006,885,574</b>	<b>671,155,947</b>	<b>3,678,041,521</b>	<b>1,863,789</b>

The notes to the basic financial statements are an integral part of this statement.

CITY OF LAS VEGAS  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMMISSION FOR THE LAS VEGAS CENTENNIAL
<b>LIABILITIES</b>				
Accounts payable	\$ 25,339,142	\$ 4,056,504	\$ 29,395,646	\$ 8,591
Deposits payable	1,499,412	25,056	1,524,468	
Benefits payable	6,282,644		6,282,644	
Interest payable	1,876,263	1,359,113	3,235,376	
Contracts payable	4,845,160	841,858	5,687,018	
Connection fees payable		116,400	116,400	
Intergovernmental payable	1,382,031	1,521,622	2,903,653	110,987
Claims and judgments payable	481,652		481,652	
Unearned revenue	310,022	2,918,317	3,228,339	
Noncurrent liabilities:				
Current portion due or payable within one year:				
Bonds payable	22,844,162	9,918,856	32,763,018	
Compensated absences payable	434,650	23,102	457,752	
Long-term portion due or payable after one year:				
Bonds payable	212,593,668	103,861,984	316,455,652	
Compensated absences payable	41,482,162	5,233,700	46,715,862	
Benefits payable	8,302,995		8,302,995	
Arbitrage rebate payable	100,000		100,000	
Metro police self insurance	4,440,981		4,440,981	
<b>TOTAL LIABILITIES</b>	<b>332,214,944</b>	<b>129,876,512</b>	<b>462,091,456</b>	<b>119,578</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,242,515,613	420,323,186	2,662,838,799	
Restricted for:				
Debt service	3,572,261		3,572,261	
Capital projects	93,361,037		93,361,037	
Street maintenance	12,515,813		12,515,813	
Capital maintenance	752,050		752,050	
Cemetery perpetual care Nonexpendable	1,481,779		1,481,779	
Unrestricted	320,472,077	120,956,249	441,428,326	1,744,211
<b>TOTAL NET ASSETS</b>	<b>\$ 2,674,670,630</b>	<b>\$ 541,279,435</b>	<b>\$ 3,215,950,065</b>	<b>\$ 1,744,211</b>

CITY OF LAS VEGAS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	PROGRAM		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANT AND CONTRIBUTIONS
<u>FUNCTIONS/PROGRAMS</u>			
Primary government:			
Governmental activities:			
General government	\$ 98,031,717	\$ 105,230,430	\$ 160,000
Judicial	23,508,217	20,759,376	259,363
Public safety	286,804,600	20,475,888	1,800,145
Public works	92,056,014	10,013,599	
Welfare	1,000,496	32,697	599,715
Health	2,633,376	129,170	64,451
Culture and recreation	52,119,648	10,860,537	175,086
Economic development and assistance	19,889,792	3,464,480	5,033,114
Transit systems	1,277,857	509,155	
Interest on long-term debt	10,192,586		
Total governmental activities	<u>587,514,303</u>	<u>171,475,332</u>	<u>8,091,874</u>
Business-type activities:			
Sanitation	71,095,732	79,787,918	381,987
Development services	15,107,741	18,909,838	
Parking	4,008,423	6,358,949	
Golf course	3,015,810	1,432,764	
Video production	1,584,235	1,891,484	
Land development	423,777	80,845	
Total business-type activities	<u>95,235,718</u>	<u>108,461,798</u>	<u>381,987</u>
Total primary government	<u>\$ 682,750,021</u>	<u>\$ 279,937,130</u>	<u>\$ 8,473,861</u>
Component unit:			
Commission for the Las Vegas Centennial	\$ 892,782	\$ 227,497	\$ 1,394,817
Total component unit	<u>\$ 892,782</u>	<u>\$ 227,497</u>	<u>\$ 1,394,817</u>

The notes to the basic financial statements are an integral part of this statement.

REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNIT COMMISSION FOR THE LAS VEGAS CENTENNIAL
		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
\$		\$ 7,358,713	\$	\$ 7,358,713	\$
		(2,489,478)		(2,489,478)	
	5,585,412	(258,943,155)		(258,943,155)	
	101,949,299	19,906,884		19,906,884	
		(368,084)		(368,084)	
		(2,439,755)		(2,439,755)	
	18,018,527	(23,065,498)		(23,065,498)	
	7,656,881	(3,735,317)		(3,735,317)	
		(768,702)		(768,702)	
		(10,192,586)		(10,192,586)	
	<u>133,210,119</u>	<u>(274,736,978)</u>		<u>(274,736,978)</u>	<u>0</u>
	40,707,015		49,781,188	49,781,188	
			3,802,097	3,802,097	
			2,350,526	2,350,526	
			(1,583,046)	(1,583,046)	
			307,249	307,249	
			(342,932)	(342,932)	
	<u>40,707,015</u>		<u>54,315,082</u>	<u>54,315,082</u>	<u>0</u>
\$	<u>173,917,134</u>	<u>(274,736,978)</u>	<u>54,315,082</u>	<u>(220,421,896)</u>	<u>0</u>
\$					<u>729,532</u>
\$	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>729,532</u>
General revenues:					
Consolidated tax		264,253,250		264,253,250	
Property taxes		120,802,530		120,802,530	
Room tax		4,108,959		4,108,959	
Residential construction tax		4,034,185		4,034,185	
Motor vehicle fuel tax		8,793,580		8,793,580	
Unrestricted investment earnings		13,074,402	2,744,306	15,818,708	44,973
Gain on disposal of capital assets		1,169,821	6,687,023	7,856,844	
Transfers		1,293,276	(1,293,276)		
Total general revenues and transfers		<u>417,530,003</u>	<u>8,138,053</u>	<u>425,668,056</u>	<u>44,973</u>
Change in net assets		142,793,025	62,453,135	205,246,160	774,505
Net assets - July 1,		<u>2,531,877,605</u>	<u>478,826,300</u>	<u>3,010,703,905</u>	<u>969,706</u>
Net assets - June 30,	\$	<u>2,674,670,630</u>	\$ <u>541,279,435</u>	\$ <u>3,215,950,065</u>	\$ <u>1,744,211</u>

CITY OF LAS VEGAS, NEVADA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006

	General	Parks and Leisure Activities	Road and Flood
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,063,442	\$ 69,289,428	\$ 3,857,387
Investments		47,618,323	
Receivables (net of allowances for uncollectibles)			
Property tax	1,803,567		
Consolidated tax	47,370,546		
Gaming tax	540		
Accounts	1,479,867		13,284
Interest	581,882	339,913	
Loans			
Special Assessments			
Intergovernmental	2,378,247	6,185,287	7,753,331
Due from other funds	2,342,142		
Land held for resale			
Prepaid items	446,706		
Deposits			
Permanently restricted:			
Cash and cash equivalents			
Investments			
Total assets	\$ 104,466,939	\$ 123,432,951	\$ 11,624,002
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,647,584	\$ 7,813,351	\$ 2,266,120
Compensated absences payable	433,586		
Due to other funds	7,009		
Deposits payable	219,651		
Contracts payable		2,993,121	1,204,640
Loans payable			
Intergovernmental payable	1,301,982		
Deferred revenue	1,157,300		
Total liabilities	6,767,112	10,806,472	3,470,760
Fund balances:			
Reserved for:			
Debt service			
Imprest funds	23,500		
Prepaid items	446,706		
Noncurrent loans receivable			
Cemetery perpetual care			
Unfunded Metro Police self insurance liability	4,440,981		
Unreserved:			
Designated for construction projects			
Special revenue funds			
Capital project funds		112,626,479	8,153,242
Designated for redevelopment projects			
Special revenue funds			
Undesignated			
General fund	92,788,640		
Special revenue funds			
Debt service funds			
Total fund balances	97,699,827	112,626,479	8,153,242
Total liabilities and fund balances	\$ 104,466,939	\$ 123,432,951	\$ 11,624,002

The notes to the basic financial statements are an integral part of this statement.

	City Facilities	Special Assessments	Other Non-Major Governmental Funds	Total Governmental Funds
\$	50,832,245	\$ 3,473,568 40,619,429	\$ 138,088,472 2,653,090	\$ 313,604,542 90,890,842
			826,075	2,629,642
				47,370,546
				540
			360,195	1,853,346
	260,919	24,250	705,996	1,912,960
			18,670,291	18,670,291
		7,196,674	15,152	7,211,826
			15,327,655	31,644,520
			198,724	2,540,866
			6,679,832	6,679,832
				446,706
			23,580	23,580
			38,773	38,773
			1,434,108	1,434,108
\$	<u>51,093,164</u>	<u>51,313,921</u>	<u>185,021,943</u>	<u>526,952,920</u>
\$	278,335	\$ 152,801	\$ 8,490,655	\$ 22,648,846
			1,064	434,650
			1,493,895	1,500,904
		26,628	1,016,637	1,262,916
	232,410	37,677	377,312	4,845,160
		72,126	811,534	883,660
			80,049	1,382,031
		7,145,399	307,752	8,610,451
	<u>510,745</u>	<u>7,434,631</u>	<u>12,578,898</u>	<u>41,568,618</u>
			10,948,793	10,948,793
				23,500
				446,706
			347,687	347,687
			1,481,779	1,481,779
				4,440,981
	50,582,419	43,879,290	41,926,371	41,926,371
			46,865,409	262,106,839
			9,939,448	9,939,448
				92,788,640
			57,963,408	57,963,408
			2,970,150	2,970,150
\$	<u>50,582,419</u>	<u>43,879,290</u>	<u>172,443,045</u>	<u>485,384,302</u>
\$	<u>51,093,164</u>	<u>51,313,921</u>	<u>185,021,943</u>	<u>526,952,920</u>

CITY OF LAS VEGAS, NEVADA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - total governmental funds (page 33)	\$ 485,384,302
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets consist of governmental assets of \$2,374,928,075 and internal service fund assets of \$22,201,339.	2,397,129,414
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(279,085,070)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,300,429
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Total net assets in the internal service funds are \$88,453,461, less \$3,310,567 to reflect consolidation of internal service fund activities to related enterprise funds; and less \$22,201,339 of internal service fund net capital assets reflected in governmental activities.	<u>62,941,555</u>
Net assets of governmental activities (page 29)	<u><u>\$ 2,674,670,630</u></u>

The notes to the basic financial statements are an integral part of this statement.

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CITY OF LAS VEGAS, NEVADA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>General</u>	<u>Parks and Leisure Activities</u>	<u>Road and Flood</u>
Revenues:			
Taxes	\$ 97,321,755	\$	\$
Licenses and permits	76,367,107		
Intergovernmental	269,118,783	7,373,143	65,065,509
Charges for services	28,827,669	179,596	151,396
Special assessments			
Fines and forfeits	15,176,504		
Interest	1,821,731	2,015,606	
Miscellaneous	1,806,073	61,951	315,610
Total revenues	<u>490,439,622</u>	<u>9,630,296</u>	<u>65,532,515</u>
Expenditures:			
Current:			
General government	74,833,890		
Judicial	22,487,538		
Public safety	270,339,144		
Public works	16,439,628		19,660,055
Welfare			
Health	2,535,095		
Culture and recreation	38,857,012	375,219	
Economic development and assistance	6,471,321		
Transit systems	1,289,948		
Debt service:			
Principal retirement			
Interest and fiscal charges			
Capital outlay:			
General government	18,871		
Public safety	316,920		
Public works	93,039		46,112,588
Culture and recreation	113,758	35,439,897	
Economic development and assistance	64,674		
Health			
Total expenditures	<u>433,860,838</u>	<u>35,815,116</u>	<u>65,772,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,578,784</u>	<u>(26,184,820)</u>	<u>(240,128)</u>
Other financing sources (uses):			
Transfers in	13,294,701	22,235,561	4,140,112
Transfers out	(46,707,972)	(8,800,000)	(9,750)
Sale of capital assets	257,229		
Bond escrow refunding to defease debt			
General obligation bonds issued		47,000,000	
Premium		808,500	
Special assessment bonds			
Total other financing sources (uses)	<u>(33,156,042)</u>	<u>61,244,061</u>	<u>4,130,362</u>
Net changes in fund balances	23,422,742	35,059,241	3,890,234
Fund balances, July 1	<u>74,277,085</u>	<u>77,567,238</u>	<u>4,263,008</u>
Fund balances, June 30	<u>\$ 97,699,827</u>	<u>\$ 112,626,479</u>	<u>\$ 8,153,242</u>

The notes to the basic financial statements are an integral part of this statement.

City Facilities	Special Assessments	Other Non-Major Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		31,472,140	128,793,895
		2,285,550	78,652,657
		53,557,683	395,115,118
		8,708,064	37,866,725
	2,056,011	2,048,414	4,104,425
			15,176,504
1,433,360	1,974,938	3,758,459	11,004,094
1,040	116,265	5,389,982	7,690,921
<u>1,434,400</u>	<u>4,147,214</u>	<u>107,220,292</u>	<u>678,404,339</u>
		13,163,118	87,997,008
		840,769	23,328,307
		2,141,230	272,480,374
	13,902,129	5,631,047	55,632,859
		1,007,726	1,007,726
		99,342	2,634,437
		5,407,508	44,639,739
		12,509,192	18,980,513
			1,289,948
		25,234,718	25,234,718
		9,740,212	9,740,212
11,542,599			11,561,470
		8,557,392	8,874,312
	1,444,937	5,258,348	52,908,912
			35,553,655
		3,241,266	3,305,940
		5,719	5,719
<u>11,542,599</u>	<u>15,347,066</u>	<u>92,837,587</u>	<u>655,175,849</u>
<u>(10,108,199)</u>	<u>(11,199,852)</u>	<u>14,382,705</u>	<u>23,228,490</u>
4,370,000	9,750	56,810,672	100,860,796
(800,000)	(1,684,289)	(46,892,648)	(104,894,659)
1,190,144			1,447,373
		(44,504,899)	(44,504,899)
		43,040,000	90,040,000
		1,864,809	2,673,309
	38,472	779,528	818,000
<u>4,760,144</u>	<u>(1,636,067)</u>	<u>11,097,462</u>	<u>46,439,920</u>
(5,348,055)	(12,835,919)	25,480,167	69,668,410
<u>55,930,474</u>	<u>56,715,209</u>	<u>146,962,878</u>	<u>415,715,892</u>
\$ <u>50,582,419</u>	\$ <u>43,879,290</u>	\$ <u>172,443,045</u>	\$ <u>485,384,302</u>

CITY OF LAS VEGAS, NEVADA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the statement of activities (page 30 - 31) are different because:

Net changes in fund balances - total governmental funds (page 37)	\$ 69,668,410
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	51,627,869
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers, and donations) is to increase net assets.	36,217,775
Property tax revenue and special assessments revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	764,542
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(22,980,578)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,370,466)
Internal service funds are used by management to charge the costs of a variety of services (i.e. fleet, graphic reproduction, purchase and maintenance of computers, maintenance of radios, pagers, cellular, and telephones, etc.) to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. Changes in net assets of internal service fund are \$12,861,348, less \$995,875 to reflect consolidation of internal service fund activities to related enterprise funds.	<u>11,865,473</u>
Change in net assets of governmental activities (page 31)	<u><u>\$ 142,793,025</u></u>

The notes to the basic financial statements are an integral part of this statement.

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CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 96,943,200	\$ 96,943,200	\$ 97,321,755	\$ 378,555
Licenses and permits	75,400,000	75,400,000	76,367,107	967,107
Intergovernmental	256,626,000	268,626,000	269,118,783	492,783
Charges for services	26,776,800	26,776,800	28,827,669	2,050,869
Fines and forfeits	14,423,000	14,423,000	15,176,504	753,504
Interest	701,000	701,000	1,821,731	1,120,731
Miscellaneous	1,546,000	1,546,000	1,806,073	260,073
<b>Total revenues</b>	<u>472,416,000</u>	<u>484,416,000</u>	<u>490,439,622</u>	<u>6,023,622</u>
<b>Expenditures:</b>				
<b>General government:</b>				
Legislative	3,017,292	2,917,292	2,739,330	177,962
Executive	4,366,415	4,266,415	3,777,839	488,576
Financial administration	19,887,335	20,137,335	20,168,037	(30,702)
Other	62,187,565	55,466,123	48,167,555	7,298,568
<b>Total general government</b>	<u>89,458,607</u>	<u>82,787,165</u>	<u>74,852,761</u>	<u>7,934,404</u>
<b>Judicial:</b>				
Municipal courts	16,443,531	16,143,531	15,232,634	910,897
City attorney-criminal division	3,894,296	3,894,296	3,581,738	312,558
Public defender	484,000	534,000	513,441	20,559
Alternative sentencing & education	3,797,339	3,597,339	3,159,725	437,614
<b>Total judicial</b>	<u>24,619,166</u>	<u>24,169,166</u>	<u>22,487,538</u>	<u>1,681,628</u>
<b>Public safety:</b>				
Police	124,300,053	124,100,053	123,112,961	987,092
Fire	93,559,395	96,059,395	94,109,574	1,949,821
Corrections	43,392,042	42,892,042	39,731,289	3,160,753
Other protection	15,495,290	15,495,290	13,702,240	1,793,050
<b>Total public safety</b>	<u>276,746,780</u>	<u>278,546,780</u>	<u>270,656,064</u>	<u>7,890,716</u>
<b>Public works:</b>				
Administration	1,144,841	1,144,841	977,072	167,769
Engineering	16,409,215	15,909,215	13,971,775	1,937,440
Paved streets	1,774,893	1,874,893	1,583,820	291,073
<b>Total public works</b>	<u>19,328,949</u>	<u>18,928,949</u>	<u>16,532,667</u>	<u>2,396,282</u>
<b>Health:</b>				
Animal control	2,715,894	2,715,894	2,440,150	275,744
Cemetery operation	70,000	70,000	94,945	(24,945)
Communicable disease control	50,000	50,000		50,000
<b>Total health</b>	<u>2,835,894</u>	<u>2,835,894</u>	<u>2,535,095</u>	<u>300,799</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Culture and recreation:				
Culture & recreation administration	\$ 2,562,620	\$ 2,562,620	\$ 2,397,948	\$ 164,672
Participant recreation	14,235,135	15,035,135	13,940,374	1,094,761
Spectator recreation	5,952,759	5,752,759	5,476,280	276,479
Parks	15,387,297	15,187,297	14,419,454	767,843
Senior citizens	<u>3,160,121</u>	<u>2,960,121</u>	<u>2,736,714</u>	<u>223,407</u>
Total culture and recreation	<u>41,297,932</u>	<u>41,497,932</u>	<u>38,970,770</u>	<u>2,527,162</u>
Economic development and assistance:				
Economic development and assistance	478,800	478,800	446,589	32,211
Neighborhood services	<u>6,490,060</u>	<u>6,490,060</u>	<u>6,089,406</u>	<u>400,654</u>
Total economic development and assistance	<u>6,968,860</u>	<u>6,968,860</u>	<u>6,535,995</u>	<u>432,865</u>
Transit systems:				
Transportation services	<u>1,583,004</u>	<u>1,583,004</u>	<u>1,289,948</u>	<u>293,056</u>
Total transit systems	<u>1,583,004</u>	<u>1,583,004</u>	<u>1,289,948</u>	<u>293,056</u>
Total expenditures	<u>462,839,192</u>	<u>457,317,750</u>	<u>433,860,838</u>	<u>23,456,912</u>
Excess of revenues over expenditures	<u>9,576,808</u>	<u>27,098,250</u>	<u>56,578,784</u>	<u>29,480,534</u>
Other financing sources (uses):				
Transfers in	12,190,400	12,190,400	13,294,701	1,104,301
Transfers out	(17,302,037)	(47,823,479)	(46,707,972)	1,115,507
Sale of capital assets			257,229	257,229
Total other financing sources (uses)	<u>(5,111,637)</u>	<u>(35,633,079)</u>	<u>(33,156,042)</u>	<u>2,477,037</u>
Net changes in fund balances	4,465,171	(8,534,829)	23,422,742	31,957,571
Fund balances, July 1	<u>61,166,886</u>	<u>74,166,886</u>	<u>74,277,085</u>	<u>110,199</u>
Fund balances, June 30	<u>\$ 65,632,057</u>	<u>\$ 65,632,057</u>	<u>\$ 97,699,827</u>	<u>\$ 32,067,770</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Nonprofit Corporations	Other Non-Major Proprietary Funds	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 99,460,185	\$ 2,101,369	\$ 19,658,875	\$ 121,220,429	\$ 73,051,883
Investments					8,192,778
Receivables (net of allowances for uncollectibles):					
Accounts	10,424,872	8,302	66,423	10,499,597	640,658
Interest	507,858	10,232	94,258	612,348	394,796
Loans		5,196,200	2,781,449	7,977,649	72,126
Intergovernmental	4,897,492		1,664	4,899,156	1,122,183
Due from other funds		7,009		7,009	61,159
Inventories	2,253,047		17,463	2,270,510	3,232,650
Prepaid items	96,063	70,270	107,519	273,852	
Deposits			26,191	26,191	
Total current assets	<u>117,639,517</u>	<u>7,393,382</u>	<u>22,753,842</u>	<u>147,786,741</u>	<u>86,768,233</u>
Noncurrent assets:					
Deferred charges-bond issuance costs	<u>802,248</u>		<u>63,767</u>	<u>866,015</u>	
Capital assets:					
Land	2,205,152	36,199,207	3,326,130	41,730,489	
Land improvements	1,178,069		13,063,433	14,241,502	257,077
Sewer plant improvements	337,941,356			337,941,356	
Buildings	15,306,409		6,530,956	21,837,365	3,986,315
Building improvements	1,682,493		837,467	2,519,960	4,482,527
Sewer lines	285,586,225			285,586,225	
Machinery and equipment	1,435,777		2,029,969	3,465,746	5,944,997
Vehicles					40,339,928
Construction in progress	19,823,100		7,817	19,830,917	
Less accumulated depreciation	(184,705,226)		(8,344,308)	(193,049,534)	(32,809,505)
Total capital assets (net of accumulated depreciation)	<u>480,453,355</u>	<u>36,199,207</u>	<u>17,451,464</u>	<u>534,104,026</u>	<u>22,201,339</u>
Total noncurrent assets	<u>481,255,603</u>	<u>36,199,207</u>	<u>17,515,231</u>	<u>534,970,041</u>	<u>22,201,339</u>
Total assets	<u>598,895,120</u>	<u>43,592,589</u>	<u>40,269,073</u>	<u>682,756,782</u>	<u>108,969,572</u>

Continued

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS (continued)  
JUNE 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Sanitation	Nonprofit Corporations	Other Non-Major Proprietary Funds		Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 3,849,135	\$ 2,738	\$ 204,631	\$ 4,056,504	\$ 2,690,296
Compensated absences payable	10,340		12,762	23,102	
Deposits	15,000	766	9,290	25,056	236,496
Due to other funds		29,376		29,376	1,078,754
Benefits payable					6,282,644
Claims and judgments payable					481,652
General obligation revenue bonds payable	10,000,000		425,000	10,425,000	
Interest payable	1,306,637		52,476	1,359,113	
Contracts payable	841,858			841,858	
Connection fees payable	116,400			116,400	
Intergovernmental payable	1,520,120		1,502	1,521,622	
Total current liabilities	<u>17,659,490</u>	<u>32,880</u>	<u>705,661</u>	<u>18,398,031</u>	<u>10,769,842</u>
Noncurrent liabilities:					
Compensated absences payable	2,928,564		2,305,136	5,233,700	1,443,274
General obligation revenue bonds payable	92,807,550		10,548,290	103,355,840	
Loans payable		14,882,026		14,882,026	
Unearned revenue		2,000,000	918,317	2,918,317	
Benefits payable					8,302,995
Total noncurrent liabilities	<u>95,736,114</u>	<u>16,882,026</u>	<u>13,771,743</u>	<u>126,389,883</u>	<u>9,746,269</u>
Total liabilities	<u>113,395,604</u>	<u>16,914,906</u>	<u>14,477,404</u>	<u>144,787,914</u>	<u>20,516,111</u>
<b>NET ASSETS</b>					
Investment in capital assets, net of related debt	377,645,805	36,199,207	6,478,174	420,323,186	22,201,339
Unrestricted	<u>107,853,711</u>	<u>(9,521,524)</u>	<u>19,313,495</u>	<u>117,645,682</u>	<u>66,252,122</u>
Total net assets	<u>\$ 485,499,516</u>	<u>\$ 26,677,683</u>	<u>\$ 25,791,669</u>	<u>537,968,868</u>	<u>\$ 88,453,461</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>3,310,567</u>	
Net assets of business-type activities (page 29)				<u>\$ 541,279,435</u>	

The notes to the basic financial statements are an integral part of this statement.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Nonprofit Corporations	Other Non-Major Proprietary Funds		
Operating revenues:					
Licenses and permits	\$	\$	\$ 19,473,706	\$ 19,473,706	\$
Charges for services	79,748,565		4,709,018	84,457,583	64,912,560
Fines and forfeits			3,000,780	3,000,780	
Miscellaneous	39,353	80,845	1,409,531	1,529,729	174,384
Total operating revenues	<u>79,787,918</u>	<u>80,845</u>	<u>28,593,035</u>	<u>108,461,798</u>	<u>65,086,944</u>
Operating expenses:					
Salaries and employee benefits	20,429,136		16,145,164	36,574,300	14,112,778
Services and supplies	24,369,007	423,777	6,011,966	30,804,750	12,336,197
Cost of stores issued			108,040	108,040	5,430,758
Insurance claims					18,785,683
Insurance premiums					3,843,318
Depreciation	18,580,611		936,373	19,516,984	4,518,758
Total operating expenses	<u>63,378,754</u>	<u>423,777</u>	<u>23,201,543</u>	<u>87,004,074</u>	<u>59,027,492</u>
Operating income (loss)	<u>16,409,164</u>	<u>(342,932)</u>	<u>5,391,492</u>	<u>21,457,724</u>	<u>6,059,452</u>
Nonoperating revenues (expenses):					
Interest revenue	2,311,279	31,858	401,169	2,744,306	1,703,260
Interest expense	(5,021,409)		(646,400)	(5,667,809)	
Sewer connection charges	22,689,411			22,689,411	
Arbitrage (expense) credit	(2,500)			(2,500)	
Gain (loss) on sale of capital assets	(2,948)	3,925,204	2,761,819	6,684,075	307,318
Intergovernmental revenue	10,897,491			10,897,491	160,000
Intergovernmental expense	(3,315,996)		(238,266)	(3,554,262)	(695,821)
Total nonoperating revenues (expenses)	<u>27,555,328</u>	<u>3,957,062</u>	<u>2,278,322</u>	<u>33,790,712</u>	<u>1,474,757</u>
Income (loss) before contributions and transfers	43,964,492	3,614,130	7,669,814	55,248,436	7,534,209
Capital contributions - sewer lines	7,502,100			7,502,100	
Transfers in			2,674,000	2,674,000	5,327,139
Transfers out	<u>(1,000,000)</u>		<u>(2,967,276)</u>	<u>(3,967,276)</u>	
Changes in net assets	50,466,592	3,614,130	7,376,538	61,457,260	12,861,348
Net assets, July 1	<u>435,032,924</u>	<u>23,063,553</u>	<u>18,415,131</u>		<u>75,592,113</u>
Net assets, June 30	<u>\$ 485,499,516</u>	<u>\$ 26,677,683</u>	<u>\$ 25,791,669</u>		<u>\$ 88,453,461</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>995,875</u>	
Changes in net assets of business-type activities (page 31)				<u>\$ 62,453,135</u>	

The notes to the basic financial statements are an integral part of this statement.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Nonprofit Corporations	Other Non-Major Proprietary Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 79,641,815	\$ 92,603	\$ 28,604,468	\$ 108,338,886	\$ 65,631,640
Cash payments to suppliers for goods and services	(24,576,835)	(1,121,247)	(6,028,343)	(31,726,425)	(42,225,966)
Cash payments to employees for services	(20,086,385)		(16,028,349)	(36,114,734)	(13,692,131)
Net cash provided (used in) by operating activities	<u>34,978,595</u>	<u>(1,028,644)</u>	<u>6,547,776</u>	<u>40,497,727</u>	<u>9,713,543</u>
Cash flows from noncapital financing activities:					
Cash received from other funds		323,794		323,794	370,609
Federal grants					160,000
Cash paid to other funds			(1,401,002)	(1,401,002)	
Reimbursements from other governments	406,123			406,123	
Transfers in from other funds			2,674,000	2,674,000	5,327,139
Transfers out to other funds	(1,000,000)		(2,967,276)	(3,967,276)	
Subsidies paid to other governments					(695,821)
Contributions to other governments	(1,795,876)		(238,266)	(2,034,142)	
Net cash provided by (used in) noncapital financing activities	<u>(2,389,753)</u>	<u>323,794</u>	<u>(1,932,544)</u>	<u>(3,998,503)</u>	<u>5,161,927</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(15,287,210)		(69,290)	(15,356,500)	(5,027,995)
Proceeds from bonds	32,748,840			32,748,840	
Sewer connection charges	22,689,411			22,689,411	
Payment to refunded bond escrow agent	(33,399,459)			(33,399,459)	
SNWA infrastructure fund	9,559,698			9,559,698	
Principal paid on bonds	(9,485,000)		(395,000)	(9,880,000)	
Arbitrage rebate paid	(2,500)			(2,500)	
Interest paid	(4,632,324)		(649,147)	(5,281,471)	
Proceeds from sale of fixed assets		2,001,000	2,761,819	4,762,819	365,022
Net cash provided by (used in) capital and related financing activities	<u>2,191,456</u>	<u>2,001,000</u>	<u>1,648,382</u>	<u>5,840,838</u>	<u>(4,662,973)</u>
Cash flows from investing activities:					
Interest and dividends on investments	2,168,732	28,998	385,637	2,583,367	1,724,448
Proceeds of investment securities					202,853
Net cash provided by investing activities	<u>2,168,732</u>	<u>28,998</u>	<u>385,637</u>	<u>2,583,367</u>	<u>1,927,301</u>
Net increase in cash and cash equivalents	36,949,030	1,325,148	6,649,251	44,923,429	12,139,798
Cash and cash equivalents, July 1	<u>62,511,155</u>	<u>776,221</u>	<u>13,009,624</u>	<u>76,297,000</u>	<u>60,912,085</u>
Cash and cash equivalents, June 30	<u>\$ 99,460,185</u>	<u>\$ 2,101,369</u>	<u>\$ 19,658,875</u>	<u>\$ 121,220,429</u>	<u>\$ 73,051,883</u>

Continued

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CASH FLOWS (continued)  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Nonprofit Corporations	Other Non-Major Proprietary Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 16,409,164	\$ (342,932)	\$ 5,391,492	\$ 21,457,724	\$ 6,059,452
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	18,580,611		936,373	19,516,984	4,518,758
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,140,281)	11,758	28,712	(1,099,811)	(102,193)
(Increase) in loans receivable					(72,126)
(Increase) decrease in intergovernmental receivable	994,178		(1,664)	992,514	(172,960)
Decrease in due from other funds					583,353
(Increase) decrease in inventories	(35,150)		6,450	(28,700)	(974,012)
(Increase) decrease in prepaid items	(96,063)	(64,292)	13,807	(146,548)	
Increase (decrease) in accounts payable	(91,615)	(333,944)	77,927	(347,632)	(1,059,843)
(Decrease) in intergovernmental payable			(6,521)	(6,521)	
Increase in compensated absences payable	342,751		116,815	459,566	108,805
Increase (decrease) in deposits	15,000	(299,234)	4,753	(279,481)	236,496
(Decrease) in deferred revenue			(20,368)	(20,368)	
Increase in benefits payable					621,247
(Decrease) in claims and judgments payable					(33,434)
Net cash provided by (used in) operating activities	<u>\$ 34,978,595</u>	<u>\$ (1,028,644)</u>	<u>\$ 6,547,776</u>	<u>\$ 40,497,727</u>	<u>\$ 9,713,543</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets from developers	\$ 7,502,100				

The notes to the basic financial statements are an integral part of this statement.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2006

	Total Fiduciary Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 31,034,803
Receivables (net of allowances for uncollectibles):	
Interest	57,036
Salary advances	278
 Total assets	 \$ 31,092,117
 <b>LIABILITIES</b>	
Accounts payable	\$ 4,847
Deposits payable	24,553,665
Intergovernmental payable	2,709,212
Payroll liabilities payable	286,107
Outstanding bail payable	2,854,767
Unclaimed monies payable	449,985
Arbitrage rebate payable	233,534
 Total liabilities	 \$ 31,092,117

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies**

The basic financial statements of the City of Las Vegas (City) have been prepared in conformity with United States generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

**A. Reporting entity**

The City of Las Vegas, Nevada, was incorporated in 1911. The City provides a full range of municipal services as directed by statute. Services provided include public safety (police and fire), street construction and maintenance, sanitation, culture-recreation, public improvements, planning and zoning, and general administration and services. The City has a Council-Manager form of government. The Mayor is elected by the voters of the City at large for a four-year term. The City is divided into six wards. Voters of each ward elect a member of the Council for a four-year term. Policymaking and legislative authority are vested in the Council. The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. City officials appoint board members to the Clark County Board of Health, Clark County Economic Opportunity Board, Las Vegas Convention and Visitors Authority, Las Vegas Housing Authority, Regional Flood Control District, Regional Transportation Commission, Clean Water Coalition, Southern Nevada Regional Planning Coalition, and the Southern Nevada Water Authority.

The accompanying basic financial statements present the financial position of the City of Las Vegas (primary government) and its blended component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The blended component units discussed below are included in the City's reporting entity because of the significance of their operation or financial relationship with the City. The financial statements of component units have been included in the City's reporting entity as blended component units. The City's discretely presented component unit is reported in a separate column in the government-wide financial statement (see note below for description) to emphasize that it is operationally separate from the City.

**Blended component units**

On March 5, 1986, the Official Redevelopment Plan was adopted to facilitate urban redevelopment efforts for the downtown area. The City of Las Vegas Redevelopment Agency (Agency) is governed by a seven-member board comprised of the seven City councilpersons. For financial reporting purposes, the Agency is reported as if it were part of the City's operations because the governing body is one and the same, and the Agency's activities are so closely aligned with the City's.

The Nonprofit Corporations exclusively promote the health and welfare of the City of Las Vegas, and, therefore, are reported as blended component units. Their services include the acquisition and disposition of property located therein for public purposes, or the distribution of the proceeds thereof, to the City of Las Vegas. The City of Las Vegas is financially accountable as follows: the corporations are governed by a two-member board of directors appointed by the Mayor and ratified by the Las Vegas City Council and the corporations are also fully dependent on the City of Las Vegas for fiscal and operational support.

**Discretely presented component unit**

The Commission for the Las Vegas Centennial is a nonprofit corporation formed on May 20, 2004, to advance, support and promote the health and social welfare of the City of Las Vegas and its citizens for the City's 100 year birthday celebration (centennial). The Commission is governed by a fifteen member Board of Directors (Board) which provides management for the business and affairs of the corporation. The Board appoints a thirty-three member Executive Committee. Board members may also be Executive Committee members. All members of the Board are appointed by the Mayor of the City of Las Vegas and ratified by the Las Vegas City Council. The financial operations of the commission are reported as a separate column in the basic financial statements to emphasize that it is legally and operationally separate from the City.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**A. Reporting entity (continued)**

Complete financial statements of the Agency, the Nonprofit Corporations and the Commission can be obtained from the City of Las Vegas Department of Finance and Business Services, 6<sup>th</sup> Floor, 400 Stewart Avenue, Las Vegas, Nevada 89101.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of material inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except agency funds that have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund financial statements are reported using the *current financial measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are recognized when earned and billed to the grant-awarding agency. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, and other taxpayer-assessed tax revenues (franchise fees, consolidated tax, room tax, residential construction tax, motor vehicle fuel tax), licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major government funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

The *parks and leisure activities capital projects fund* accounts for the costs of constructing new or improving existing parks, recreation centers and senior citizen facilities.

The *road and flood capital projects fund* accounts for major infrastructure improvements to the City's arterial street system and floodwater conveyance systems.

The *City facilities capital project fund* accounts for improvements at the City Hall complex, satellite facilities and maintenance yards.

The *special assessments capital projects fund* accounts for major infrastructure improvements which benefit particular taxpayers in a special improvement district.

The government reports the following major proprietary funds:

The *sanitation enterprise fund* accounts for the City's sewage treatment plant, sewage pumping stations and collection systems and the wastewater distribution system.

The *nonprofit corporations fund* is to promote the health and welfare of the City of Las Vegas and its citizens through the acquisition and disposition of property located therein, exclusively for public purposes.

Additionally, the government reports the following fund types:

*Internal service funds* account for a variety of services provided to other departments or agencies of the City on a cost reimbursement basis. These services include graphic reproduction, purchase and maintenance of personal computers, emergency dispatch services, purchase and maintenance of radios, pagers, cellular and telephone equipment, automotive operations, liability insurance, workers compensation insurance, group and property damage insurance, fire equipment acquisition and miscellaneous stores.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges to business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

*Proprietary funds* distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**D. Assets, liabilities and net assets or equity**

**1. Cash, cash equivalents and investments**

The City maintains a cash, cash equivalents and investment pool that is available for use by all funds. Monies that are not required for immediate obligations are invested. Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, and highly liquid short-term investments with original maturities of three months or less from date of acquisition.

The City's investment policies are governed by state statutes and its own written policies. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, bankers acceptances, corporate, state, and local government bonds, repurchase agreements, commercial paper and money market mutual funds.

Investments include short-term investments that are not easily converted to cash and long-term investments with maturity dates ranging from six months to five years. Investments are stated at fair value, determined by using quoted market prices provided by a nationally recognized independent bank or amortized cost for investments that have a remaining maturity at time of purchase of one year or less.

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables are reported at their gross value and, where appropriate, are shown net of an allowance for uncollectible accounts.

By December 31 of each year, all property in Clark County is assessed by parcel for property tax purposes by the Clark County Assessor. The assessment valuation roll is published in a local newspaper for the information of all taxpayers. If desired, property owners have until January 15 to appeal the valuation to the Clark County Board of Equalization. Any taxpayer not agreeing with the decision of the County Board of Equalization may file an appeal with the State Board of Equalization no later than the first Monday of March.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1 which provides for the allowed tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is liened on July 1. Property taxes are then payable to the County Treasurer in four equal installments, the first Monday of August, October, January and March. Apportionment of taxes by Clark County to the City of Las Vegas is made in the calendar quarters of September, December, March and June. The actual rates, which were levied for 2006, were General Fund .6765, Debt Service .0059, and Special Revenue .0950 for a total tax rate of 0.7774 (amount per \$100 of assessed value).

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities and net assets or equity (continued)**

**3. Inventories and prepaid items**

Inventories in the internal service and enterprise funds consist of expendable supplies held for consumption and are stated at cost, which approximates market, using the first-in, first-out method. The balances are determined by physical count. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items, in both government-wide and fund financial statements. In fund financial statements, a portion of fund balance equal to total prepaid items is reserved to indicate that it is not available for appropriation.

**4. Restricted assets**

Cemetery Operations Permanent Fund - Restricted assets in this fund are derived from the endowment care portion of the fee charged for a cemetery lot. The monies are invested and the interest income is used for the perpetual care and maintenance of the cemetery in accordance with the cemetery systems lease agreement (Note 11c). An independent trustee manages the fund. At June 30, 2006, the restricted assets consisted of cash and cash equivalents of \$38,773, investments of \$1,434,108 and interest receivable of \$8,898 for a total of \$1,481,779.

**5. Capital assets**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects constructed. Property and equipment acquired by proprietary funds are reported in those funds at cost or estimated fair market value at the time of donation. In enterprise funds, interest expense on bonds issued for construction of capital assets is netted against interest revenue earned on the investment of bond proceeds, as provided for in the Statement of Financial Accounting Standards (SFAS) No. 62, and if determined to be immaterial will not be capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Storm drains	50 years	Building improvements	10-20 years
Roadways	30 years	Vehicles	3-10 years
Buildings	20-40 years	Traffic signage	10 years
Land & sewer plant improvements	20-24 years	Machinery and equipment	7-10 years
Traffic signals and lighting	20 years	Traffic pavement markers	4 years

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities and net assets or equity (continued)**

**6. *Compensated absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulated vacation and sick leave that is expected to be liquidated within the current year is reported as an expenditure in governmental fund types. The estimated long-term liability of vested or accumulated vacation and sick leave that is not expected to be liquidated within the current year is accounted for in the government-wide financial statements. Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**7. *Long-term obligations***

In the government-wide financial statements, and in proprietary fund types the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Arbitrage rebate payable is recorded as a liability to account for arbitrage amounts to be rebated to the federal government that result from interest earned in excess of the interest costs on the monies invested from the proceeds of bond issues.

The City of Las Vegas and Clark County both provide financing for the Las Vegas Metro Police Self Insurance internal service fund. At June 30, 2006, the Las Vegas Metro Police Self Insurance fund had a deficit balance. In the government-wide financial statements, the City's portion of the deficit is reported as a liability in the applicable governmental activities. In the fund financial statements, the General Fund recognizes the deficit as a reserve of fund balance.

**8. *Net assets and fund equity***

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The cemetery portion of the permanent fund is reported as permanently restricted. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities and net assets or equity (continued)**

**9. Estimates**

The preparation of basic financial statements in conformance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**10. Grant portion of intergovernmental revenues**

Grant revenues and expenditures are generally recorded in special revenue funds. If an expenditure of monies by a grantee is the prime factor for determining the release of grant funds, revenue is recognized at the time of the expenditure. If release of grant funds is not contingent upon expenditure of monies, revenue is recorded when received or when the grant becomes an obligation of the grantor.

**11. Interfund transactions**

During the course of normal operations, the City has numerous transactions between funds, which include transfer of resources from one fund to another. The fund financial statements reflect such transactions as transfers. Certain receivable/payable balances between the primary government and blended component units are eliminated for financial statement presentation. Internal service funds record charges for services to all City departments and funds as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses.

**2. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$279,085,070 difference are as follows:

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**2. Reconciliation of government-wide and fund financial statements (continued)**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets (continued)**

Bonds Payable	\$ 234,634,558
Less: Original issue discount (to be amortized over the life of the bond as interest expense and fiscal charges)	(127,328)
Add: Original issue premiums (to be amortized over the life of the bond as interest income)	4,234,602
Less: Deferred charges for issuance costs (to be amortized over the life of the bonds as interest expense and fiscal charges)	(2,808,892)
Less: Unamortized debt refunding transaction (to be amortized)	(3,304,002)
Accrued interest payable	1,876,263
Metro Police self-insurance liability	4,440,981
Arbitrage rebate payable	100,000
Compensated absences	<u>40,038,888</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 279,085,070</u></u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$51,627,869 difference are as follows:

Capital outlay	\$ 112,210,008
Depreciation expense (Note 9)	<u>(60,582,139)</u>
Net adjustments to increase <i>net changes in final balance-total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u><u>\$ 51,627,869</u></u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of the \$36,217,775 difference are as follows:

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**2. Reconciliation of government-wide and fund financial statements (continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)**

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$ (604,852)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	36,976,295
The statement of activities reports <i>losses</i> from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	<u>(153,668)</u>
Net adjustment to increase net changes <i>in fund balance - total governmental funds to arrive at changes in net assets - government activities</i>	<u>\$ 36,217,775</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$22,980,578 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (90,040,000)
Issuance of special assessment bonds	(818,000)
Add premium	(2,673,309)
Issuance costs	811,114
Principal repayments:	
General obligation debt	23,462,927
Special assessment debt	705,400
Warrants	1,066,391
Payment to defease debt	<u>4,504,899</u>
Net adjustment to increase <i>net changes in fund balance-total governmental funds to arrive at changes in net assets - government activities</i>	<u>\$ (22,980,578)</u>

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**2. Reconciliation of government-wide and fund financial statements (continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)**

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$4,370,466 difference are as follows:

Arbitrage rebate	\$ 277,019
Compensated absences	(3,851,802)
Accrued interest	(501,555)
Amortization of issuance costs	(290,893)
Amortization of bond discounts	(36,434)
Amortization of bond premiums	367,048
Amortization of debt refunding	<u>(333,849)</u>
Net adjustment to decrease <i>net changes in fund balance - total</i> <i>governmental funds to arrive at changes in net assets - government activities</i>	<u><u>\$ (4,370,466)</u></u>

Another element of the reconciliation states that some revenue reported in the statement of activities does not provide current financial resources and therefore are not reported as revenue in governmental funds. The details of this \$764,542 difference are as follows:

Property tax revenue	\$ 151,779
Special assessments	<u>612,763</u>
Net adjustment to increase <i>net changes in fund balance - total</i> <i>governmental funds to arrive at changes in net assets - government activities</i>	<u><u>\$ 764,542</u></u>

**3. Stewardship and legal compliance**

**A. Budgetary information**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, capital projects, and debt service funds. An annual budget report is filed with the Nevada Department of Taxation, a branch of the state government charged with the responsibility to oversee local government finances.

The City's budgeting process consists of a series of reviews and analyses of budget requests that are submitted by the various departments by February 1 of each year. City management and budget office staff compile and prioritize all data, with the objective of aligning budget resources with the City Council's strategic plan objectives as closely as possible. A series of public hearings are held for the City Council and the general public on budget recommendations. The final budget is approved and adopted by the Mayor and City Council and filed with the City Clerk, County Clerk and the Nevada Department of Taxation by June 1.

The annual appropriated budgets approved by the City Council are controlled at the function level, which is the legal level of budgetary control. The revenue classifications and expenditure functions shown in the basic financial statements are those prescribed by the Nevada Department of Taxation. An amended budget is one in which internal modifications are made but the total resources and expenditures remain the same as the original. Per Nevada law, the City Manager may amend the budget by transferring appropriations within any function or program or between any function or program within a fund, and may authorize the transfer of appropriations between funds at any time if the City Council is advised of the action at a Council meeting and the action is recorded in the official minutes of the meeting.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**3. Stewardship and legal compliance (continued)**

**A. Budgetary information (continued)**

An augmented budget is approved by the City Council and filed with the Nevada Department of Taxation when the total revenues and corresponding expenditures increase. All annual appropriations lapse at fiscal year-end.

Non-appropriated budgets are prepared for all proprietary type funds as a guide to levels of operating expenses. Budgets are not required for agency (fiduciary) type funds.

For the fiscal year ended June 30, 2006, funds were augmented and realigned between functions to provide additional expenditures for new and expanded programs. Non-appropriated budgets for proprietary type funds were augmented and filed with the Nevada Department of Taxation for informational purposes, according to Nevada law. The General Fund augmentation was funded from higher than anticipated revenues in consolidated tax to increase total appropriations (expenditures, other financing uses).

	Final Budget	Adjustment	Augmented Budget
General Fund	\$ 480,141,229	\$ 25,000,000	\$ 505,141,229

For budgetary control purposes, the City records encumbrances for purchase orders, contracts and other commitments in memorandum accounts. Since they do not constitute actual liabilities of the City in accordance with accounting principles generally accepted in the United States of America, encumbrances are not reported in the basic financial statements.

**B. Excess of expenditures over appropriations**

The City of Las Vegas debt service fund expenditures exceeded appropriations in debt service by \$44,504,899 due to bond escrow refunding for defeases of debt. Nevada revised statute 354.626(1) provides that expenditures for bond repayments do not constitute a violation of law.

In the Special Assessment Fund, expenditures exceeded appropriations by \$16,612 in transfers out, due to excess costs for contractual services paid by the Road and Flood Capital Project Funds.

Expenditures exceeded budget appropriations in Multipurpose Special Revenue Fund, economic development and assistance function by \$40,915 due to large year-end accounts payable accruals for services and supplies associated with the Child Care grant.

**4. Deposits and investments**

As of June 30, 2006, the City had the following investments:

<u>Type of Investments</u>	<u>Fair Value</u>	<u>Weighted-Average Maturity (Year)</u>
US Treasury	\$ 36,217,216	2.382
US Agencies	338,479,201	1.440
Corporate Bonds	25,603,724	3.901
Commercial Paper	91,845,826	0.004
Money Market Funds	150,786,085	0.002
Total fair value	\$ 642,932,052	
Portfolio weighted-average maturity		1.04

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**4. Deposits and investments (continued)**

Type of Investments	Amount	Investment Maturities			
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years
U.S. Treasury	\$ 36,217,216	\$	\$	\$ 6,972,245	\$ 29,244,971
U.S. Agencies	338,479,201	31,961,292	10,952,318	114,543,455	181,022,136
Corporate Bonds	25,603,724	768,703			24,835,021
Commercial Paper	91,845,826	70,950,582	20,895,244		
Money Market Funds	150,786,085	150,786,085			
<b>Total Investments</b>	<b>\$ 642,932,052</b>	<b>\$ 254,466,662</b>	<b>\$ 31,847,562</b>	<b>\$ 121,515,700</b>	<b>\$ 235,102,128</b>

Reconciliation of cash, cash equivalents and investments to government-wide financial statements:

Total cash equivalents and investments	\$ 642,932,052
Less: Deficit cash in checking account	<u>(3,463,894)</u>
	639,468,158
Less: Cash and cash equivalents in fiduciary funds	<u>(31,034,803)</u>
Cash and cash equivalents and investments-government-wide	<u>\$ 608,433,355</u>

**Interest Rate Risk:** In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted-average maturity of its investment portfolio to less than thirty months.

**Credit Risk:** Statues authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies (i.e., FNMA, FHLB, etc.), corporate bonds rated “A” or better by a nationally recognized rating service, commercial paper rated “A-1,” “P-1” by a nationally recognized rating service, repurchase agreements, certificates of deposit, money market mutual funds rated “AAA” by a nationally recognized rating service or other securities in which banking institutions may legally invest.

Type of Investments	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End				Not Rated
				AAA	Aa	A	A-1/P-1	
U.S. Treasury	\$ 36,217,216	N/A	\$ 36,217,216	\$	\$	\$	\$	\$
U.S. Agencies	338,479,201	N/A		255,054,899				83,424,302
Corporate Bonds	25,603,724	A			19,728,605	5,106,416		768,703
Commercial Paper	91,845,826	A-1/P-1					91,845,826	
Money Market Funds	150,786,085	AAA		150,786,085				
<b>Total</b>	<b>\$ 642,932,052</b>		<b>\$ 36,217,216</b>	<b>\$ 405,840,984</b>	<b>\$ 19,728,605</b>	<b>\$ 5,106,416</b>	<b>\$ 91,845,826</b>	<b>\$ 84,193,005</b>

**Concentration of Credit Risk:** The City’s investment policy allows for investments as follows: (1) U.S. Treasury, money market funds and agencies, no limit; (2) repurchase agreements, 20% of portfolio; (3) commercial paper, 20% of portfolio with a 10% per issue limit; (4) corporate notes, 20% of portfolio with a 25% per issue limit; and (5) certificates of deposit, \$100,000 per institution. To reduce the overall portfolio risks, the City will diversify its investments by security type and institution. With the exception of U.S. Treasuries and government agency securities, no more than 50% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**5. Property taxes**

By December 31 of each year all property in Clark County is assessed by parcel for property tax purposes by the Clark County Assessor. The assessment valuation roll is published in a local newspaper for the information of all taxpayers. If desired, property owners have until January 15 to appeal the valuation to the Clark County Board of Equalization. Any taxpayer not agreeing with the decision of the County Board of Equalization may file an appeal with the State Board of Equalization no later than the first Monday of March.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1 which provides for the allowed tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is liened on July 1. Property taxes are then payable to the County Treasurer in four equal installments, the first Monday of August, October, January and March. Apportionment of taxes by Clark County to the City of Las Vegas is made in the calendar quarters of September, December, March and June.

The actual rates, which were levied for June 30, were as follows:

	2006	2005
General	0.6765	0.6765
Special	0.0950	0.0950
Debt	0.0059	0.0077
Total Tax	0.7774	0.7792

*Amounts per \$100 of assessed value*

**6. Related party transaction**

The City provides building maintenance services to the Las Vegas Metropolitan Police Department (Metro), an entity created as a joint venture involving the City and Clark County. During the year ended June 30, 2006, the City charged Metro \$394,169 for services. At June 30, 2006, \$49,347 was receivable from Metro for services provided (Note 7).

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**7. Intergovernmental receivables**

The following schedule details the intergovernmental receivables as of June 30, 2006:

	Governmental Activities					Business-Type Activities		
	General Fund	Parks and Leisure Activities	Road and Flood	Other Non-major Governmental Funds	Internal Service Fund	Total	Enterprise Fund	Total
CA-NV Super Speed Ground Transportation Commission	\$ 1,856					\$ 1,856		\$ 1,856
City of Boulder	630					630		630
City of North Las Vegas							2,192,439	2,192,439
Clark County, Nevada	671,625		922,426	4,649,220	914,442	7,157,713		7,157,713
Clark County Regional Flood Control District			989,983			989,983		989,983
Clark County Regional Transportation Commission	233,148		5,726,482	1,575,646		7,535,276		7,535,276
Clean Water Coalition							9	9
Commission for the Las Vegas Centennial	108,594			729		109,323	1,664	110,987
Federal Bureau of Prisons	13,795					13,795		13,795
Las Vegas Convention and Visitors Authority				1,760,253		1,760,253		1,760,253
Las Vegas Housing Authority	114,262				47,964	162,226		162,226
Las Vegas Metropolitan Police Department (Note 6)					49,347	49,347		49,347
Las Vegas Valley Water District			31,312			31,312		31,312
Lincoln County, Nevada					430	430		430
Southern Nevada Water Authority							2,705,044	2,705,044
State of Nevada			83,128	5,720,519		5,803,647		5,803,647
U.S. Department of Education				26,934		26,934		26,934
U.S. Department of Energy					110,000	110,000		110,000
U.S., Department of Health and Human Services				110,282		110,282		110,282
U.S. Department of Homeland Security (FEMA)				470,831		470,831		470,831
U.S. Department of Housing and Urban Development				843,549		843,549		843,549
U.S. Department of Interior				5,920		5,920		5,920
U.S. Department of Interior (Bur. of Land Management)		6,185,287				6,185,287		6,185,287
U.S. Department of Justice				29,159		29,159		29,159
U.S. Department of Justice (U.S. Marshals)	1,231,293					1,231,293		1,231,293
U.S. Fire Department Agency	3,044					3,044		3,044
U.S. Department of Labor				114,148		114,148		114,148
U.S. Department of Transportation				20,465		20,465		20,465
<b>Total</b>	<b>\$ 2,378,247</b>	<b>\$ 6,185,287</b>	<b>\$ 7,753,331</b>	<b>\$ 15,327,655</b>	<b>\$ 1,122,183</b>	<b>\$ 32,766,703</b>	<b>\$ 4,899,156</b>	<b>\$ 37,665,859</b>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**7. Intergovernmental receivables (continued)**

Payments of intergovernmental receivables are expected to be received and available soon enough after year-end to finance expenditures of the year ended June 30, 2006. In addition, the City has resources available from the U.S. Department of Housing and Urban Development through the Community Development Block Grant Program totaling \$7,609,577, the Housing Opportunities for Persons With AIDS totaling \$705,368, the HOME Investment totaling \$6,188,716, and the Emergency Shelter Grant Program totaling \$36,103, which can be drawn upon by means of qualifying expenditures.

**8. Joint venture**

The City is a participant in a joint venture with Clark County created by a special financing relationship for the Las Vegas Metropolitan Police Department established by state statute. A five-member committee composed of two appointees each from the City and the County, and one appointee from the general public approves the Department's budget.

State statute mandates apportionment of costs among the participating political subdivisions based upon a percentage of the permanent population and the total number of calls for service within each subdivision. Complete financial information of the Las Vegas Metropolitan Police Department is included in the comprehensive annual financial report of Clark County, Nevada. The following schedule presents a two-year summary of financial information for the Las Vegas Metropolitan Police Department for the years ended June 30:

	2006	2005
Assets	\$ 55,043,093	\$ 47,530,499
Liabilities	32,077,431	27,658,424
Equity	\$ 22,965,662	\$ 19,872,075
Revenues	\$ 271,042,579	\$ 239,993,829
Expenditures	438,859,362	379,805,225
	(167,816,783)	(139,811,396)
Net other financing sources	170,910,370	151,931,003
Net increase in fund balance	\$ 3,093,587	\$ 12,119,607
Political subdivision funding percentage:		
Clark County	60.6%	59.6%
City of Las Vegas	39.4%	40.4%

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**9. Capital assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

**Primary Government**

	Balance July 1, 2005	Additions	Transfers	Deletions	Balance June 30, 2006
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 842,965,034	\$ 2,915,838	\$	\$ 604,852	\$ 845,276,020
Construction in progress	222,002,671	56,282,955	(93,463,673)		184,821,953
Total capital assets, not being depreciated	<u>1,064,967,705</u>	<u>59,198,793</u>	<u>(93,463,673)</u>	<u>604,852</u>	<u>1,030,097,973</u>
Capital assets, being depreciated:					
Land improvements	155,006,657	7,580,242	523,437		163,110,336
Buildings	170,790,613	1,459,999	2,867,206		175,117,818
Building improvements	70,770,669	3,113,905	1,973,830		75,858,404
Machinery and equipment	39,285,386	1,575,124	265,114	3,790,364	37,335,260
Vehicles	48,899,165	5,736,349		2,592,073	52,043,441
Roadways	866,162,253	46,994,573	59,802,564		972,959,390
Traffic pavement markers	1,145,863	112,591			1,258,454
Traffic signals and lighting	134,765,120	5,061,554	2,694,948		142,521,622
Traffic signage	676,843	215,957			892,800
Storm drain	416,300,913	24,430,728	25,336,574		466,068,215
Total capital assets, being depreciated	<u>1,903,803,482</u>	<u>96,281,022</u>	<u>93,463,673</u>	<u>6,382,437</u>	<u>2,087,165,740</u>
Less accumulated depreciation for:					
Land improvements	51,462,651	6,784,559			58,247,210
Buildings	43,967,146	4,251,214			48,218,360
Building improvements	25,881,433	3,730,624			29,612,057
Machinery and equipment	23,635,630	4,237,593		3,591,223	24,282,000
Vehicles	29,294,196	4,531,461		2,579,842	31,245,815
Roadways	345,584,858	27,780,931			373,365,789
Traffic pavement markers	180,025	287,909			467,934
Traffic signals and lighting	81,374,249	5,018,046			86,392,295
Traffic signage	100,763	69,484			170,247
Storm drain	59,723,516	8,409,076			68,132,592
Total accumulated depreciation	<u>661,204,467</u>	<u>65,100,897</u>		<u>6,171,065</u>	<u>720,134,299</u>
Total capital assets, being depreciated, net	<u>1,242,599,015</u>	<u>31,180,125</u>	<u>93,463,673</u>	<u>211,372</u>	<u>1,367,031,441</u>
Governmental activities capital assets, net	<u>\$ 2,307,566,720</u>	<u>\$ 90,378,918</u>	<u>\$</u>	<u>\$ 816,224</u>	<u>\$ 2,397,129,414</u>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**9. Capital assets (continued)**

	Balance July 1, 2005	Additions	Transfers	Deletions	Balance June 30, 2006
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 43,002,485	\$ 2,076,576	\$	\$ 3,348,572	\$ 41,730,489
Construction in progress	19,725,277	16,642,616	(16,536,976)		19,830,917
Total capital assets, not being depreciated	<u>62,727,762</u>	<u>18,719,192</u>	<u>(16,536,976)</u>	<u>3,348,572</u>	<u>61,561,406</u>
Capital assets, being depreciated:					
Land improvements	14,231,581	9,921			14,241,502
Sewer plant improvements	335,202,223		2,739,133		337,941,356
Buildings	21,836,649	716			21,837,365
Building improvements	2,430,742		89,218		2,519,960
Sewer lines	264,326,703	7,550,897	13,708,625		285,586,225
Machinery and equipment	3,449,954	61,473		45,681	3,465,746
Total capital assets, being depreciated	<u>641,477,852</u>	<u>7,623,007</u>	<u>16,536,976</u>	<u>45,681</u>	<u>665,592,154</u>
Less accumulated depreciation for:					
Land improvements	4,002,108	667,822			4,669,930
Sewer plant improvements	113,097,391	12,714,992			125,812,383
Buildings	4,014,089	494,175			4,508,264
Building improvements	1,944,829	56,547			2,001,376
Sewer lines	48,796,176	5,302,524			54,098,700
Machinery and equipment	1,720,690	280,924		42,733	1,958,881
Total accumulated depreciation	<u>173,575,283</u>	<u>19,516,984</u>		<u>42,733</u>	<u>193,049,534</u>
Total capital assets, being depreciated, net	<u>467,902,569</u>	<u>(11,893,977)</u>	<u>16,536,976</u>	<u>2,948</u>	<u>472,542,620</u>
Business-type activities capital assets, net	<u>\$ 530,630,331</u>	<u>\$ 6,825,215</u>	<u>\$</u>	<u>\$ 3,351,520</u>	<u>\$ 534,104,026</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 4,706,746
Judicial	42,899
Public safety	9,834,899
Public works	36,477,534
Health	57,794
Culture and recreation	8,404,555
Economic development and assistance	1,056,220
Transit systems	1,492
	<u>60,582,139</u>

Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets

4,518,758

Total depreciation expense-governmental activities

\$ 65,100,897

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**9. Capital assets (continued)**

Business-type activities:	
Sanitation	\$ 18,580,611
Municipal Parking	3,035
Municipal Golf Course	776,124
Video Production	157,214
Total depreciation expenses business-type activities	<u>\$ 19,516,984</u>

**Construction commitments**

The City of Las Vegas has active construction projects as of June 30, 2006. The projects include buildings, building improvements, land improvements (associated with various parks), machinery and equipment (mainly associated with upgrades to our technology in progress), roadways, storm sewers (widening, construction of new and existing streets and detention basin and drainage facilities), traffic signals and streetlights in progress. The City is also in the process of constructing sewer plant improvements and sanitary sewer lines. At year-end, the City commitments with contractors are as follows:

<u>Projects - Governmental funds</u>	<u>Spent to date</u>	<u>Remaining commitment</u>
Buildings	\$ 40,853,064	\$ 43,942,610
Building improvements	5,297,873	1,695,031
Land improvements	58,926,703	28,528,214
Machinery and equipment	1,121,384	503,296
Roadways	61,027,075	18,722,436
Storm drains	9,227,422	2,954,285
Traffic signals, lighting, signs and markers	8,368,432	3,128,211
	<u>\$ 184,821,953</u>	<u>\$ 99,474,083</u>
<u>Projects - Proprietary funds</u>		
Sanitation sewer lines	\$ 7,069,432	\$ 6,173,543
Sanitation plant improvements	12,761,485	5,778,101
	<u>\$ 19,830,917</u>	<u>\$ 11,951,644</u>

The major financing for roadways and storm sewer projects includes reimbursements from the Regional Transportation Commission, Clark County, Clark County Regional Flood Control District, Nevada Department of Transportation, Motor Vehicle Fuel Tax, special assessment, bond issuances and interim warrants. Sanitation sewer lines and sanitation plant improvements are financed by general obligation revenue bonds secured by sewer revenues. Transfers from the General Fund and bond proceeds finance the building and land improvements, mainly in the Parks and City facilities funds.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**10. Defined benefit pension plan**

The City contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost-sharing, multiple employer, non-contributory, defined benefit public employee retirement plan administered by PERS. PERS provides retirement benefits, death benefits, and disability benefits, including annual cost of living adjustments, to plan members and their beneficiaries.

Municipal Court judges may elect to participate under the PERS regular retirement plan or under the Judicial Retirement System (JRS) plan, both plans are administered by PERS. The 2005 Nevada Legislature extended eligibility of the JRS plan to municipal judges per NRS 1A.285, effective July 1, 2005. If selected, service credit earned under PERS is transferred to JRS.

Members of the system who retire at age 65 with 5 years of service; at 60 with 10 years of service, or with 30 or more years of service at any age are entitled to a retirement benefit payable monthly for life. For each year of service in the JRS, earned after July 1, 2005, retirees receive benefits equal to 3.4091% of average compensation. For PERS' transferred service, retirees receive 2.5% for each year of service prior to July 1, 2001, and 2.67% for each year completed after July 1, 2001. The maximum accrual is 75% for all service. Average compensation is the average of an employee's 36 consecutive months of highest compensation.

Regular members of the system who retire at age 65 with 5 years of service; at age 60 with 10 years of service, or with 30 years or more of service at any age are entitled to a retirement benefit payable monthly for life, equal to 2.5 percent prior to July 1, 2001 and 2.67 percent after July 1, 2001 of their average compensation per service year. Police and fire members may retire at age 65 with 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service or at any age with 25 years of service. Average compensation is the average of an employee's 36 consecutive months of highest compensation. Maximum benefits are generally 90 percent of average compensation for individuals who became members before July 1, 1985, and 75 percent of average compensation for individuals who became members after June 30, 1985. Vested employees that have not attained the required age may retire at any age with reduced retirement benefits. The City does not offer any post retirement benefit plans.

Plan members are funded under the employer paid contribution plan, wherein the City is required to contribute all amounts due under the plan. The contribution requirements of the plan members are established by Nevada Revised Statutes 286.450. The City's contribution rates and amounts contributed (equal to the annual required contribution) for the last three years are as follows:

<b>Contribution Rate</b>				
Fiscal Year	Judicial Members	Regular Members	Police/Fire Public Safety Employees	Total Contributions
2006	22.5%	19.75%	32.00%	\$ 45,018,280
2005		20.25%	28.50%	40,821,899
2004		20.25%	28.50%	38,890,054

PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, or by calling (775) 687-4200.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**11. Lease commitments**

*Operating leases*

a. The City leases a building under a noncancelable-operating lease. Total costs for the lease were \$563,258 for the year ended June 30, 2006. The lease terminates on November 30, 2006. The following is a schedule of minimum future lease payments for this lease for the year ending June 30:

	<u>Amount</u>
2007	\$224,073

b. The City leases two off-street parking garages in the downtown area to private companies on a long-term basis. Annual payments are paid one year in advance under one lease agreement. The second agreement requires monthly payments. The leases run for 50 years from their inception and rental rates are subject to change at five-year intervals based on changes in the consumer price index. The following is a schedule of minimum future rental income for the years ending June 30:

	<u>Amount</u>		<u>Amount</u>
2007	\$ 1,177,582	2012 - 2016	\$ 5,887,910
2008	1,177,582	2017 - 2021	5,887,910
2009	1,177,582	2022 - 2026	5,887,910
2010	1,177,582	2027 - 2031	5,887,910
2011	1,177,582	2032 - 2034	3,428,064

c. On May 19, 2000, the City entered into a systems lease agreement with a private company to manage and operate Woodlawn Cemetery. The initial term of the agreement is for 10 years. The following is a schedule of minimum future rental income for the years ending June 30:

	<u>Amount</u>
2007	\$ 58,353
2008	58,353
2009	58,353
2010	57,554

The above rental income is subject to a yearly increase based on the consumer price index. Per the agreement, the City will bear responsibility for the first \$50,000 in water charges and one-half of the water charges over \$100,000.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity**

**A. Defeasance of debt**

In December 1989, the City of Las Vegas Redevelopment Agency (Agency) placed \$14,065,459 of the \$35,000,000 tax increment revenue long-term bond proceeds in trust to defease the outstanding December 1986 \$15,000,000 tax increment revenue long-term bonds. The 1986 bonds were defeased to relieve the Agency of restrictive covenants contained in that issue. The outstanding balance on the defeased 1986 bonds was \$5,030,000 at June 30, 2006.

In September 1993, the City issued \$31,305,000 in general obligation revenue bonds. The proceeds were used to defease \$27,250,000 of the outstanding portion of the 1989 Sanitary Sewer general obligation revenue bonds. The bonds were defeased to take advantage of lower interest rates in order to achieve a debt service savings. The outstanding balance on the defeased 1989 bonds was \$10,355,000 at June 30, 2006.

On June 28, 1995, the Agency placed \$14,638,656 of the \$17,090,000 tax increment revenue bond proceeds in trust to defease \$13,525,000 of the outstanding 1989 tax increment revenue long-term bonds. The 1989 bonds were defeased to relieve the Agency of restrictive covenants contained in that issue. The outstanding balance on the defeased 1989 bonds was \$9,285,000 at June 30, 2006.

In January 1997, the City issued \$35,680,000 in general obligation revenue bonds. The proceeds were used to defease \$33,495,000 of the outstanding portion of the 1992 Sanitary Sewer general obligation revenue bonds. The bonds were defeased to take advantage of lower interest rates in order to achieve debt service savings. The outstanding balance on the defeased 1992 bonds was \$27,655,000 at June 30, 2006.

On December 4, 2002, the City issued \$18,675,000 of sewer refunding bonds series 2002B. The proceeds were to defease \$19,125,000 of outstanding sanitary sewer general obligation refunding bonds. The bonds were defeased to take advantage of lower interest rates in order to achieve debt service savings. The outstanding balance on the defeased 1993B sanitary sewer general obligation refunding bonds was \$10,300,000 at June 30, 2006.

On June 4, 2003, the Agency issued \$19,115,000 of tax increment revenue refunding bonds series 2003A. The proceeds were used to defease \$18,545,000 of outstanding tax increment revenue bonds series 1994A. The bonds were defeased to take advantage of lower interest rates in order to achieve debt service savings. The outstanding balance on the defeased 1994A Series Bonds was \$18,340,000 at June 30, 2006.

On June 4, 2003, the Agency issued \$2,395,000 of tax increment revenue refunding bonds series 2003B. The proceeds were used to defease \$2,310,000 of outstanding tax increment revenue bonds series 1994B. The bonds were defeased to take advantage of lower interest rates in order to achieve debt service savings. The outstanding balance on the defeased 1994B Series Bonds was \$1,830,000 at June 30, 2006.

In September 2004, the City issued \$21,050,000 in sewer general obligation refunding revenue bonds Series 2004. The proceeds were used to defease \$19,835,000 of outstanding sanitary sewer general obligation revenue bonds Series 1997A. The bonds were defeased to take advantage of lower interest rates in order to achieve debt service savings. The outstanding balance on the defeased 1997A Sanitary Sewer general obligation revenue bonds was \$19,835,000 at June 30, 2006.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**A. Defeasance of debt (continued)**

In July 2005, the City issued \$21,295,000 in general obligation various purpose refunding bonds series 2005B. The proceeds were used to defease \$6,890,000 of outstanding general obligation parking bonds series October 1, 1999 and \$15,000,000 of outstanding general obligation redevelopment project bonds. The bonds were defeased to take advantage of lower interest rates in order to achieve a debt service savings. The new issue bears an average interest rate of 3.9% and an effective interest rate of 3.7%. The refunding results in a decrease in debt service payments of \$1,557,656 and an economic gain (difference between present value of the old and new debt service payments) of \$1,137,908.

In March 2006, the City issued \$31,920,000 in general obligation (limited tax) sewer funding bonds series 2006A. The proceeds were used to defease \$31,070,000 of outstanding general obligation sewer bonds Series 2001. The bonds were defeased to take advantage of lower interest rates in order to achieve a debt service savings. The new issue bears an average interest rate of 4.1% and an effective interest rate of 3.97%. The refunding results in a decrease in debt service payments of \$1,852,201 and an economic gain (difference between present value of the old and new debt service payments) of \$1,033,688.

In May 2006, the City issued \$21,745,000 in general obligation tax exempt various purpose bonds series 2006B. The proceeds were used to defease \$20,905,000 of outstanding general obligation parking bonds series 2002A. The bonds were defeased to take advantage of lower interest rates in order to achieve a debt service savings. The new issue bears an average interest rate of 4.76% and an effective interest rate of 4.7%. The refunding results in a decrease in debt service payments of \$4,542,184 and an economic gain (difference between present value of the old and new debt service payments) of \$657,164.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**B. Changes in long-term debt**

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds:					
2.5 to 3.1% Fire general obligation refunding bonds series 2002C, due 03/01/08	\$ 2,745,000	\$	\$ 885,000	\$ 1,860,000	\$ 915,000
	<u>2,745,000</u>		<u>885,000</u>	<u>1,860,000</u>	<u>915,000</u>
General obligation revenue bonds:					
4.75 to 5.40% Parking bonds general obligation series October 1, 1999, due 06/01/19	8,740,000		7,315,000	1,425,000	450,000
5.9 to 6.25% general obligation Redevelopment Project bonds (taxable), due 06/01/12	11,215,000		1,400,000	9,815,000	1,490,000
4.7 to 5.0% general obligation Redevelopment Project bonds (non- taxable), due 06/01/18	15,000,000		15,000,000		
2.5% to 3.5% Transportation refunding general obligation revenue bonds, Series 2002D, due 07/01/09	4,305,000		815,000	3,490,000	840,000
2.75 to 4.95% Fremont Street general obligation revenues refunding bonds, Series 2002, due 07/01/15	11,445,000		760,000	10,685,000	800,000
2.00% Redevelopment projects general obligation refunding bonds, Series 2003A, due 6/15/06	1,220,000		1,220,000		
3.0 to 5.25% general obligation Parking bonds long-term series 2002A, due 6/10/18	25,000,000		21,340,000	3,660,000	455,000
3.0 to 5.0% various purpose general obligation refunding bonds series 2005B, due 06/01/19		21,295,000		21,295,000	
5.625 to 5.90% Taxable various purpose general obligation bonds series 2006A, due 05/01/24		18,000,000		18,000,000	
4.0 to 5.0% various purpose general obligation bonds series 2006B, due 05/01/36		50,745,000		50,745,000	
	<u>76,925,000</u>	<u>90,040,000</u>	<u>47,850,000</u>	<u>119,115,000</u>	<u>4,035,000</u>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**B. Changes in long-term debt (continued)**

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
<b>Governmental Activities (continued)</b>					
General obligation medium-term bonds:					
2.48% medium-term Housing note, due 10/01/07	\$ 1,268,285	\$	\$ 497,927	\$ 770,358	\$ 510,391
2.0 to 3.6% general obligation medium- term Recreation bonds series 2003, due 11/01/13	18,395,000		1,830,000	16,565,000	1,875,000
3.65 to 5.0% Recreation Facilities general obligation revenue bonds long- term series 1997, due 02/01/07	2,535,000		1,235,000	1,300,000	1,300,000
4.0 to 4.63% Various Purpose general obligation revenue bond series 1997B, due 11/01/07	3,485,000		1,110,000	2,375,000	1,160,000
3.8 to 4.9% Park Bonds general obligation medium-term series 1999, due 02/01/10	17,145,000		2,510,000	14,635,000	2,920,000
5.0 to 5.25% Building general obligation medium-term series 2000, due 08/01/10	5,410,000		795,000	4,615,000	835,000
4.0 to 4.2% Public Safety general obligation medium-term series 2001, due 04/01/11	16,655,000		2,505,000	14,150,000	2,605,000
8.0% general obligation medium-term parking garage bonds (taxable), due 06/10/10	4,395,000		760,000	3,635,000	815,000
2.0% Detention Center general obligation revenue refunding series 2003B, due 06/01/06	1,160,000		1,160,000		
3.0% to 4.0% general obligation medium-term Recreation bonds series 2004C, due 10/01/14	20,000,000		1,785,000	18,215,000	1,815,000
	<u>90,448,285</u>		<u>14,187,927</u>	<u>76,260,358</u>	<u>13,835,391</u>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**B. Changes in long-term debt (continued)**

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2006</u>	<u>Due Within One Year</u>
<b>Governmental Activities (continued)</b>					
General obligation tax increment revenue bonds:					
4.25 to 5.6% Redevelopment Agency tax increment bonds series 1994, due 06/01/09	\$ 12,600,000	\$	\$ 2,910,000	\$ 9,690,000	\$ 3,060,000
5.25 to 6.25% Redevelopment Agency tax increment bonds series 1995B, due 06/15/09	340,000		80,000	260,000	80,000
3.00 to 5.00% Redevelopment Agency tax increment revenue refunding bonds series 2003A, due 06/15/14	18,785,000		155,000	18,630,000	160,000
3.00 to 4.50% Redevelopment Agency tax increment refunding bonds series 2003B, due 06/15/14	2,030,000		190,000	1,840,000	195,000
	<u>33,755,000</u>		<u>3,335,000</u>	<u>30,420,000</u>	<u>3,495,000</u>
4.26% Special Assessment local improvement bonds, due 06/01/14	406,600		45,400	361,200	45,400
3.9 to 4.75% Special Assessment local improvement bonds, due 10/01/05	220,000		220,000		
3.75 to 4.5% Special Assessment local improvement bonds, due 07/01/08	520,000		130,000	390,000	130,000
3.625 to 5.00% Special Assessment local improvement bonds series 2003, due 12/01/23	3,840,000		215,000	3,625,000	220,000
3.25 to 4.875% Special Assessment local improvement bonds, due 06/01/24	1,880,000		95,000	1,785,000	95,000
4.04% Special Assessment local improvement bonds, due 12/01/15		818,000		818,000	70,000
	<u>6,866,600</u>	<u>818,000</u>	<u>705,400</u>	<u>6,979,200</u>	<u>560,400</u>
Warrants at 1.75%, interest payable quarterly, principal due at maturity 01/01/06	1,066,391		1,066,391		
	<u>7,932,991</u>	<u>818,000</u>	<u>1,771,791</u>	<u>6,979,200</u>	<u>560,400</u>
	<u>211,806,276</u>	<u>90,858,000</u>	<u>68,029,718</u>	<u>234,634,558</u>	<u>22,840,791</u>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**B. Changes in long-term debt (continued)**

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
<b>Governmental Activities (continued):</b>					
Deferred amounts:					
Less: Unamortized debt refunding transaction	\$ (1,927,952)	\$ (1,709,899)	\$ (333,849)	\$ (3,304,002)	\$ (320,152)
Add: Issuance Premiums	1,928,341	2,673,309	367,048	4,234,602	359,957
Less: Issuance Discounts	(163,762)		(36,434)	(127,328)	(36,434)
	<u>211,642,903</u>	<u>91,821,410</u>	<u>68,026,483</u>	<u>235,437,830</u>	<u>22,844,162</u>
Compensated absences	37,529,473	31,999,754	27,612,415	41,916,812	434,650
Arbitrage rebates	377,019		277,019	100,000	
Unfunded Metro Police Self-Insurance Liability	4,440,981			4,440,981	
Government activity long-term liabilities	<u>\$ 253,990,376</u>	<u>\$ 123,821,164</u>	<u>\$ 95,915,917</u>	<u>\$ 281,895,623</u>	<u>\$ 23,278,812</u>

**Short-term debt/warrants.** The warrants were issued to finance improvements for special assessment districts 1487 and 1503. In fiscal 2006, the warrants were retired with the issuance of special assessment improvement bonds and cash on hand.

**Compensated absences.** Included in the City's governmental long-term obligations is \$41,916,812 of accrued compensated absences, \$40,113,058 relates to the General fund, \$1,443,274 to the Internal Service fund and \$360,480 to the Special Revenue fund. Also, for the governmental activities, compensated absences are generally liquidated by the General fund.

**Arbitrage rebates.** Included in the City's governmental long-term obligations is \$100,000 of arbitrage rebate that relates to the City's Debt Service fund.

**Bond covenants.** For the Fremont Street Experience general obligation revenue bonds the City is required to maintain a reserve fund in the amount of \$400,000. At June 30, 2006 the reserve was at \$400,000.

**Special Assessment Debt.** Special assessment local improvement bonds are unique obligations of the City, payable solely from the assessments levied in each district, the general fund and general tax proceeds pledged therefore. The special assessment receivable balance at June 30, 2006, is \$7,211,826

**Unfunded Metro Self-Insurance Liability Accrual.** The City of Las Vegas and Clark County both provide financing for the Las Vegas Metro Police Self-Insurance internal service fund (Note 1D7 and Note 8). At June 30, 2006, the Las Vegas Metro Police Self-Insurance fund had a deficit balance. The liability is for potential insurance settlements that are of a long-term nature.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**B. Changes in long-term debt (continued)**

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
<b>Business-type Activities-Major Funds:</b>					
Bonds payable:					
<b>Sanitation:</b>					
General obligation revenue bonds:					
3.0 to 4.0% Sewer general obligation refunding bond series 2004, due 06/30/18	\$ 21,050,000	\$	\$	\$ 21,050,000	\$
4.25 to 6.0% Sanitary Sewer general obligation refunding bond, due 10/01/12	31,055,000		3,150,000	27,905,000	3,350,000
4.75 to 5.0% Sanitary Sewer general obligation revenue bonds, due 11/01/17	6,415,000		1,495,000	4,920,000	1,565,000
4.1 to 5.375% Sewer and Flood Control general obligation bond, series 2001, due 04/01/21	43,435,000		32,905,000	10,530,000	1,915,000
2.5 to 5.0% Sanitary Sewer general obligation refunding bonds, series 2002B, due 01/01/09	13,000,000		3,005,000	9,995,000	3,170,000
4.0 to 5.0% Sanitary Sewer general obligation refunding bonds, series 2006A, due 04/01/21		31,920,000		31,920,000	
<b>Business-type Activities-Non-major Funds:</b>					
5.1 to 6.0% Golf Course general obligation revenue bonds, series 2001, due 12/01/21	11,290,000		395,000	10,895,000	425,000
	<u>126,245,000</u>	<u>31,920,000</u>	<u>40,950,000</u>	<u>117,215,000</u>	<u>10,425,000</u>
Deferred amounts:					
Add: Issuance Premiums	1,924,159	1,174,222	763,530	2,334,851	335,875
Less: Issuance Discounts	(77,337)		(22,096)	(55,241)	(22,096)
Less: Defeasance Cost	(4,463,107)	(1,941,170)	(690,507)	(5,713,770)	(819,923)
	<u>123,628,715</u>	<u>31,153,052</u>	<u>41,000,927</u>	<u>113,780,840</u>	<u>9,918,856</u>
Compensated absences	4,797,236	3,872,336	3,412,770	5,256,802	23,102
Business-type activity long-term liabilities	<u>\$ 128,425,951</u>	<u>\$ 35,025,388</u>	<u>\$ 44,413,697</u>	<u>\$ 119,037,642</u>	<u>\$ 9,941,958</u>

Interfund loans payable of \$2,781,449 between the Non-Profit Corporations and the Municipal Parking Fund were eliminated in the Government-wide Statement of Net Assets.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**12. Long-term debt and debt service requirements to maturity (continued)**

**C. Payment requirements for debt service**

The annual debt service requirements for all bonds (governmental and business-type) outstanding are as follows:

GOVERNMENTAL ACTIVITIES										
Year Ended June 30	General Obligation Bonds		General Obligation Revenue Bonds		General Obligation Medium-Term Bonds		LVRA Tax Increment Revenue Bonds		Special Assessment Local Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$915,000	\$55,372	\$14,460,000	\$10,990,556	\$13,835,391	\$2,954,174	\$3,495,000	\$1,515,025	\$560,400	\$293,063
2008	945,000	29,295	15,910,000	10,847,788	13,089,967	2,373,747	3,680,000	1,332,520	577,400	265,316
2009			16,710,000	9,686,311	12,435,000	1,845,302	3,890,000	1,136,968	579,400	242,739
2010			14,205,000	8,873,320	13,335,000	1,285,004	3,515,000	924,750	472,000	222,600
2011			13,955,000	8,216,694	8,165,000	784,642	3,680,000	767,675	484,000	204,376
2016			67,720,000	31,409,349	15,400,000	1,051,631	12,160,000	1,208,225	2,101,000	741,888
2021			48,275,000	17,314,897					1,455,000	373,440
2026			14,070,000	9,588,205					750,000	51,675
2031			13,735,000	6,590,250						
2036			17,290,000	2,566,250						
<b>Total</b>	<b>\$1,860,000</b>	<b>\$84,667</b>	<b>\$236,330,000</b>	<b>\$116,083,620</b>	<b>\$76,260,358</b>	<b>\$10,294,500</b>	<b>\$30,420,000</b>	<b>\$6,885,163</b>	<b>\$6,979,200</b>	<b>\$2,395,097</b>

Year Ended June 30	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	Total Bonds		General Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 22,840,791	\$ 10,389,040	\$ 10,425,000	\$ 5,419,150
2008	23,202,367	10,056,418	11,000,000	4,792,248
2009	22,069,400	8,662,714	11,545,000	4,248,606
2010	22,792,000	7,620,148	8,735,000	3,685,526
2011	17,149,000	6,701,162	9,135,000	3,272,225
2012-2016	59,401,000	23,738,066	37,980,000	10,673,027
2017-2021	22,365,000	14,141,120	27,365,000	3,547,217
2022-2026	13,790,000	9,608,980	1,030,000	30,900
2027-2031	13,735,000	6,590,250		
2032-2036	17,290,000	2,566,250		
<b>Total</b>	<b>\$ 234,634,558</b>	<b>\$ 100,074,148</b>	<b>\$ 117,215,000</b>	<b>\$ 35,668,899</b>

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**13. Developer special assessment debt**

In November 1989, the City of Las Vegas created Special Improvement District No. 404 for the Summerlin development area. In December 1989, the City issued \$73.8 million in tax-exempt bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. The project was completed in June 1997. The outstanding balance on the bonds was \$17.6 million at June 30, 2006.

In November 1993, the City of Las Vegas created Special Improvement District No. 505 for the Elkhorn Springs development area. In January 1994, the City issued \$9.5 million in limited obligation improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as trustee for the property owners in collecting the assessments and as the paying agent for the bondholders pursuant to the provisions of the bond ordinance. These transactions are accounted for in an agency fund. The Elkhorn Springs project consists of the acquisition of certain improvements made by Watt Residential, Inc. These improvements, which were accounted for in a capital project fund, include construction of streets, water distribution systems, sanitary sewers, storm sewers, curbs and gutters, sidewalks, localized drainage facilities, and landscaping. The project was completed in June 1995. The outstanding balance on the bonds payable was \$4.2 million at June 30, 2006.

In May 1996, the City of Las Vegas created Special Improvement District No. 707 for the Summerlin development area. In July 1996, the City issued \$40 million in tax-exempt bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include construction of streets, water distribution systems, sanitary sewers, storm sewers, curbs and gutters, sidewalks, localized drainage facilities, and landscaping. As of June 30, 2006, the City had released approximately \$182,000 for improvements that were previously completed. Remaining traffic signals are expected to be completed in one year. The outstanding balance on the bonds was \$21.4 million at June 30, 2006.

In February 2001, the City of Las Vegas created Special Improvement District No. 808 for the Summerlin development area. In May 2001, the City issued \$46 million in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2006, the City has released \$35.7 million of the construction funds. The outstanding balance on the bonds payable was \$38.2 million at June 30, 2006.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**13. Developer special assessment debt (continued)**

In May 2003, the City of Las Vegas created Special Improvement District No. 809 for the Summerlin development area. In June 2003, the City issued \$10 million in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2006, the City has released \$5.0 million of the construction funds. The outstanding balance on the bonds payable was \$9.0 million at June 30, 2006.

In May 2004, the City of Las Vegas created Special Improvement District No. 607 for the Providence development area. On June 3, 2004, the City issued \$51,185,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as the agent for the property owners in collecting the assessments and forwarding the collection to the bondholders. These transactions are accounted for in an agency fund. The Providence project consists of the acquisition of certain improvements developed by Cliffs Edge, LLC. These improvements, which are accounted for in a capital projects fund, include street, water, sewer, storm drainage and other improvements. As of June 30, 2006, the City has released \$28.7 million of the construction funds. The outstanding balance on the bonds payable was \$49.2 million at June 30, 2006.

**14. Deferred Reserve/Unearned Reserve**

The following schedule details unearned revenues at June 30, 2006, and the reasons for each:

	Nonmajor Governmental Funds			Capital Projects Funds	General Fund	Total	Deferred Revenue	Unearned Revenue		Total Primary Government
	Special Revenue Funds	Debt Service Funds	Total				Adjustments	Govern- mental Activities	Business- type Activities	
Prepaid tuitions	\$	\$	\$	\$	\$ 310,022	\$ 310,022		\$ 310,022	\$	\$ 310,022
Property taxes	119,266	188,486	307,752		847,278	1,155,030	(1,155,030)			
Special assessment				7,145,399		7,145,399	(7,145,399)			
Gift certificates									12,542	12,542
Prepaid parking garage rental									905,775	905,775
Sale of land									2,000,000	2,000,000
	<u>\$ 119,266</u>	<u>\$ 188,486</u>	<u>\$ 307,752</u>	<u>\$ 7,145,399</u>	<u>\$ 1,157,300</u>	<u>\$ 8,610,451</u>	<u>(8,300,429)</u>	<u>\$ 310,022</u>	<u>\$ 2,918,317</u>	<u>\$ 3,228,339</u>

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**15. Encumbrances / commitments**

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recorded in memorandum accounts of the City's governmental funds. Encumbrances lapse for budgetary purposes at the end of each fiscal year and the subsequent year's appropriations provide authority to complete these transactions, accordingly no reserve of fund balance has been created.

	2006
General Fund	\$ 4,243,147
Special Revenue Funds	14,063,983
Capital Projects Funds	99,781,923
Total	\$ 118,089,053

In November 1998, the City of Las Vegas and Clark County entered into the Clark County/City of Las Vegas/Las Vegas Metropolitan Police Department Project Interlocal Financing Agreement. On February 1, 1999, the County issued Medium-term Public Safety bonds in the principal amount of \$20,000,000 for the purpose of financing all or a portion of the cost of acquiring, constructing, improving and equipping a police emergency communications center and replacing the automated fingerprint identification system for the Las Vegas Metropolitan Police Department. The bonds' maturity schedule shall not exceed 10 years. The City's share of the debt service for a particular payment date shall equal the debt service payment for such date multiplied by the City's apportionment of the project funding formula approved by the City or otherwise submitted to the City pursuant to NRS 280.190 (4) for the fiscal year in which such debt service payment is due and payable. All payments shall be made at a time such that each payment is received by the bank and deposited into the County's bank account by no later than one business day prior to the date required to make the corresponding debt service payment on the bonds. The City makes semi-annual debt service payments on August 1 and February 1. For the year ended June 30, 2006 the City made \$996,905 in debt payments under the agreement.

In October 1998, the City of Las Vegas and Clark County entered into the Regional Justice Center Financing Agreement. The County has constructed a Regional Justice Center for the Eighth Judicial District Court of the State of Nevada, Court of the Las Vegas Township, and the Municipal Court of the City of Las Vegas. The City has agreed to pay 25% of the project cost limited to a maximum of \$29,000,000. The bonds' maturity schedule shall not exceed 25 years. On March 1, 1999, the County issued the \$29,000,000 of Clark County, Nevada General Obligation (Limited Tax) Public Facilities Bonds (Additionally Secured by Interlocal Agreement Pledged Revenues) Series 1999C. The City makes semi-annual debt service payments per the agreement on December 1 and June 1. For the year ended June 30, 2006, the City made \$2,055,389 in debt service payments per the agreement.

The City of Las Vegas and Clark County entered into the Clark County/City of Las Vegas/Las Vegas Metropolitan Police Department Project Interlocal Financing Agreement on March 1, 2000. The County issued General Obligation (Limited Tax) Public Safety Bonds in the principal amount of \$18,000,000 for the purpose of financing all or a portion of the cost of acquiring, constructing, improving, and equipping a police training academy and four area command substations for the Las Vegas Metropolitan Police Department. The bonds mature in 15 years. The City's share of the debt service for a particular payment date shall equal the debt service for such date multiplied by the City's apportionment of the project funding formula approved by the City or otherwise submitted to the City pursuant to NRS 280.190 (4) for the fiscal year in which such debt service payment is due and payable. All payments shall be made at a time such that each payment is received by the bank and deposited into the County's bank account no later than one business day prior to the date required to make the corresponding debt service payment on the bonds. The City makes semi-annual debt service payments per the agreement on September 1 and March 1. For the year ended June 30, 2006, the City made \$705,556 in debt payments under the agreement.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**16. Interfund transactions**

**A. Due to/from other funds**

The following schedule details the amounts due from/to other funds at **June 30, 2006**:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-major governmental	\$ 1,234,012
	Nonprofit corporation	29,376
	Internal service	1,078,754
		<u>2,342,142</u>
Non-major governmental	Non-major governmental	198,724
	Agency funds	326,335
		<u>525,059</u>
Nonprofit corporation	General	<u>7,009</u>
Internal service	Non-major governmental	61,159
Total		<u>\$ 2,935,369</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made to various funds that the general fund expects to collect in the subsequent year.

**B. Interfund transfers**

Interfund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. Transfers between fund types during the year ended June 30, 2006, were as follows:

<u>Funds</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>							
		<u>General Fund</u>	<u>Parks &amp; Leisure</u>	<u>Road and Flood</u>	<u>City Facilities</u>	<u>Special Assessments</u>	<u>Non-major Governmental</u>	<u>Sanitation</u>	<u>Non-major Proprietary</u>
General Fund	\$ 13,294,701	\$	\$ 800,000	\$	\$	\$	\$ 11,494,701	\$ 1,000,000	\$
Parks & Leisure	22,235,561	14,415,487			800,000		7,020,074		
Road & Flood	4,140,112	978,146				61,966	3,100,000		
City Facilities	4,370,000	3,365,000							1,005,000
Assessments	9,750			9,750					
Non-major governmental	56,810,672	21,675,339	8,000,000			1,622,323	23,550,734		1,962,276
Non-major proprietary	2,674,000	1,274,000					1,400,000		
Internal Service	5,327,139	5,000,000					327,139		
Total	<u>\$ 108,861,935</u>	<u>\$ 46,707,972</u>	<u>\$ 8,800,000</u>	<u>\$ 9,750</u>	<u>\$ 800,000</u>	<u>\$ 1,684,289</u>	<u>\$ 46,892,648</u>	<u>\$ 1,000,000</u>	<u>\$ 2,967,276</u>

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**16. Interfund transactions (continued)**

**B. Interfund transfers (continued)**

Transfers are used to move revenues from the funds with collection authorization to other funds where expenditures are recorded. These include debt service principal and interest payments, voter-approved fire safety initiative expenditures for operating and capital costs, and residential construction taxes and hotel/motel room taxes for capital projects. Unrestricted general fund revenues are moved to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies for various programs or matching funds for various grant programs.

**17. Segment information**

The government issued general obligation revenue bonds to finance construction of a golf course. Summary financial information for the Municipal Golf Course Enterprise Fund as of and for the year ending June 30, 2006, is presented below.

**CONDENSED STATEMENT OF NET ASSETS**

	<u>2006</u>	<u>2005</u>
Assets:		
Current assets	\$ 1,710,600	\$ 171,430
Deferred charges	63,767	67,881
Capital assets	<u>14,008,427</u>	<u>14,776,733</u>
Total assets	<u>15,782,794</u>	<u>15,016,044</u>
Liabilities:		
Current liabilities	532,514	1,790,418
Noncurrent liabilities	<u>10,560,832</u>	<u>10,988,951</u>
Total liabilities	<u>11,093,346</u>	<u>12,779,369</u>
Net assets:		
Invested in capital assets, net of related debt	3,035,137	3,403,392
Unrestricted	<u>1,654,311</u>	<u>(1,166,717)</u>
Total net assets	<u>\$ 4,689,448</u>	<u>\$ 2,236,675</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

	<u>2006</u>	<u>2005</u>
Charges for services	\$ 1,242,038	\$ 1,336,802
Miscellaneous revenue	190,726	178,242
Depreciation expense	(776,123)	(776,124)
Other operating expenses	<u>(1,513,561)</u>	<u>(1,443,584)</u>
Operating loss	(856,920)	(704,664)
Nonoperating revenue (expenses):		
Interest expense	(637,860)	(658,865)
Gain on sale of fixed assets	2,761,819	
Contributions to other governments	<u>(88,266)</u>	<u>(90,661)</u>
Loss before transfers	<u>1,178,773</u>	<u>(1,454,190)</u>
Transfers in	1,274,000	1,123,865
Change in net assets	<u>2,452,773</u>	<u>(330,325)</u>
Beginning net assets	<u>2,236,675</u>	<u>2,567,000</u>
Ending net assets	<u>\$ 4,689,448</u>	<u>\$ 2,236,675</u>

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**17. Segment information (continued)**

**CONDENSED STATEMENT OF CASH FLOWS**

	2006	2005
Net cash provided (used) by:		
Operating activities	\$ (16,034)	\$ 193,226
Noncapital financing activities	(142,934)	833,249
Capital and related financing activities	1,718,395	(1,026,475)
Net increase	1,559,427	
Beginning cash and cash equivalents		
Ending cash and cash equivalents	\$ 1,559,427	\$

**18. Risk management and contingent liabilities**

State and local governments are subject to many types of claims; such as those arising out of workers' compensation claims, contractual actions, claims for delays or inadequate specifications, damage to privately owned vehicles by City-owned vehicles, and claims relating to personal injuries and property damage.

Claims against state and local governments are characterized by conditions that could make estimation of the ultimate liability extremely difficult:

- a. Certain types of claims may be filed in amounts far greater than those that can reasonably be expected to be agreed on by the government and the claimant or awarded by a court.
- b. The time permitted between the occurrence of an event causing a claim and the actual filing of the claim may be lengthy.
- c. The time that may elapse between filing and ultimate settlement and payment of a claim may be extremely lengthy. Similarly, the adjudicated loss may be paid over a period of years after settlement.

GASB Statement No. 10 requires that a liability for claims be reported if information available prior to issuance of the basic financial statements indicates it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. In addition, there are situations in which incidents occur before the balance sheet date but claims are not reported or asserted when the basic financial statements are prepared. These "incurred but not reported" claims have been estimated based upon the City's past experience, adjusted for current trends and an inflation factor. The claims are included in the appropriate liability accounts. All interest earned will be credited to the respective funds.

The City operates two self-insured programs – one for workers' compensation and group insurance and one for liability and property damage purposes.

*Personal Liability Insurance Internal Service Fund.* The fund was established December 15, 2004, by City Council Resolution. It is a consolidation of the Liability Insurance Internal Service Fund, established July 5, 1979, by City Council Resolution and modified August 7, 1985, and the Property Damage Insurance Fund, established October 6, 1993, by City Council Resolution. The resolution establishes a minimum \$7 million cash reserve. The fund's cash and cash equivalents, and investments balance was \$8,843,400 at June 30, 2006, and charges for services of \$2,009,720 were made to the consolidated funds during the year ended June 30, 2006. The purpose of the fund is to pay for self-assumed losses. As of June 30, 2006, \$481,652 has been accrued for claims and judgments payable, which are estimated to be payable within one year.

CITY OF LAS VEGAS, NEVADA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**18. Risk management and contingent liabilities (continued)**

	Balance at beginning of fiscal year	Current year claims and changes in estimates	Claim payments	Balance at end of fiscal year	Due within one year
2005	\$535,381	\$758,810	\$779,105	\$515,086	\$515,086
2006	515,086	562,670	596,104	481,652	481,652

**Employee Benefit Internal Service Fund.** The fund was established December 15, 2004, by City Council Resolution. It is a consolidation of the Workers' Compensation Insurance Internal Service Fund established August 21, 1985 by City Council Resolution and the Group Insurance Internal Service Fund. The resolution establishes a minimum cash balance not less than twenty-five percent of the prior year expenditures. The fund's cash and cash equivalents and investments balance were \$33,429,675 and net assets were \$22,669,281 at June 30, 2006 charges for services of \$29,088,274 were made to the consolidated funds during the year ended June 30, 2006. The purpose of the fund is to provide employees and beneficiaries with compensation for occupational accidents and diseases and other insurance benefits. The City's maximum payment for industrial injuries as of June 30, 2006, is \$4 million per claim with excess insurance coverage provided by an insurance company. Settled claims have not exceeded this commercial coverage the past three fiscal years. The City will be reimbursed \$233,863 by an insurance company for payments on settled claims in excess of the self-insurance limits in effect at the time of the claims. The program is funded by an adjustable payroll rate and payroll deductions. As of June 30, 2006, \$11,074,690 has been accrued for workers' compensation benefits payable, which \$2,771,695 is estimated to be payable within one year and \$8,302,995 payable in subsequent years.

Changes in the balance of claims during fiscal years ended June 30 were as follows:

	Balance at beginning of fiscal year	Current year claims and changes in estimates	Claim payments	Balance at end of fiscal year	Due within one year
2005	\$10,141,123	\$21,509,164	\$20,885,002	\$10,765,285	\$4,259,008
2006	10,765,285	18,223,013	17,913,608	11,074,690	2,771,695

The City has estimated their liability for outstanding (unpaid) cost of indemnity (wage replacement) benefits and medical benefits for disability of public safety employees (police, fire) who develop heart disease, lung disease or hepatitis. The estimated liability is the sum of two components:

- The outstanding benefit costs due to reported claims for which the City is currently paying benefits, and
- The outstanding benefit costs for **future claims expected to be reported** by the City (current population of active and retired public safety employees **who may meet future** eligibility requirements for awards under Nevada revised statutes).

The benefit liability currently payable for indemnity claims is approximately \$8 million and is reserved in the Employee Benefit Internal Service fund. The anticipated **future claims expected to be reported** is approximately \$783 million.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**18. Risk management and contingent liabilities (continued)**

The City is currently involved in litigation including tort actions, condemnations and civil rights allegations. The City Attorney is vigorously contesting each case. However, due to the nature of the claims, liability may be in the range of \$50,000 to \$8,000,000. Such amounts have not been accrued in the accompanying basic financial statements.

The Agency has entered into tax increment subordinate lien notes as part of an owner participation agreement. The indebtedness represented by the notes have been allocated to the land and improvements and is payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on the parcel and shall not be payable from any other source. Because the requirements to repay the note are contingent on the Agency receiving sufficient site tax increment on the specific parcel and subordinate to the lien of the agency's preexisting debt and future debt, the potential future obligation of the Agency has not been reflected in the financial statements. The following summarizes the unique terms of the notes:

- Simon/Chelsea Las Vegas Development, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2004, in the amount of \$1,837,360, payments starting June 30, 2004 and continuing for twelve years until March 5, 2016, interest at 7 percent beginning accrual July 1, 2004. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year the Agency received site tax increment revenue and on June 29, 2006, paid \$115,323 in interest to Simon/Chelsea Las Vegas Development, LLC which was charged to economic and development expenditures, leaving an outstanding balance of \$1,726,255, at June 30, 2006.
- WMCV Phase I, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2005, in the amount of \$1,696,622, payments starting June 30, 2006 upon the payment of property taxes and continuing for twenty years until June 30, 2026, interest at 8.07 percent beginning July 1, 2005. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. For the year ended June 30, 2006, no principal or interest payments were made.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**19. Nonprofit corporations**

The corporations are to promote the health and welfare of the City of Las Vegas through the acquisition and disposition of property located within the City of Las Vegas. The following schedule presents the financial information for each of the three nonprofit corporations for the year ended June 30, 2006:

	City Parkway IV A, Inc.	City Parkway V, Inc.	Office District Parkway I, Inc.	Total
<b>Assets:</b>				
Cash	\$ 38,985	\$ 55,650	\$ 2,006,734	\$ 2,101,369
Accounts Receivable	8,302			8,302
Interest Receivable	386	5,471	4,376	10,233
Note Receivable	2,000,000		3,196,200	5,196,200
Prepaid Insurance	1,820	66,415	2,035	70,270
Due from Other Funds		5,640	7,009	12,649
Land	4,186,247	32,012,960		36,199,207
Total Assets	<u>\$ 6,235,740</u>	<u>\$ 32,146,136</u>	<u>\$ 5,216,354</u>	<u>\$ 43,598,230</u>
<b>Liabilities and Net Assets</b>				
Accounts Payable	\$ 33	\$ 2,665	\$ 40	\$ 2,738
Deposits	767			767
Due to Other Governments	35,016			35,016
Loans Payable	4,195,549	7,068,494	3,617,983	14,882,026
Unearned Revenue	2,000,000			2,000,000
Net Assets	4,375	25,074,977	1,598,331	26,677,683
Total Liabilities and Net Assets	<u>\$ 6,235,740</u>	<u>\$ 32,146,136</u>	<u>\$ 5,216,354</u>	<u>\$ 43,598,230</u>

Note: Interfund receivables and payables of \$5,640 are eliminated on the basic financial statements, pages 42-43.

CITY OF LAS VEGAS, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**19. Nonprofit corporations (continued)**

	City Parkway IV A, Inc.	City Parkway V, Inc.	Office District Parkway I, Inc.	Total
Changes in Net Assets				
Revenues:				
Rentals	\$ 6,333	\$ 67,730	\$	\$ 74,063
Miscellaneous Reimbursements	6,782			6,782
Total Revenues	<u>13,115</u>	<u>67,730</u>		<u>80,845</u>
Expenses:				
Association Fees	14,286	9,356		23,642
Premiums Paid (Insurance)	2,554	13,644	14,361	30,559
Consultants		97,155		97,155
Legal Services	938	184,936		185,874
Services and Supplies	48,265	1,793	36,489	86,547
Total Expenses	<u>66,043</u>	<u>306,884</u>	<u>50,850</u>	<u>423,777</u>
Operating loss	<u>(52,928)</u>	<u>(239,154)</u>	<u>(50,850)</u>	<u>(342,932)</u>
Nonoperating revenues (expenses):				
Interest Income	1,867	20,701	9,290	31,858
Gain on sale of capital assets	2,077,576		1,847,628	3,925,204
Changes in net assets	<u>2,079,443</u>	<u>20,701</u>	<u>1,856,918</u>	<u>3,957,062</u>
Increase (Decrease) in Net Assets	2,026,515	(218,453)	1,806,068	3,614,130
Net Assets (Deficit) - June 30, 2005	<u>(2,022,140)</u>	<u>25,293,430</u>	<u>(207,737)</u>	<u>23,063,553</u>
Net Assets - June 30, 2006	<u>\$ 4,375</u>	<u>\$ 25,074,977</u>	<u>\$ 1,598,331</u>	<u>\$ 26,677,683</u>

**20. Subsequent events**

On August 22, 2006, the City issued \$32,000,000 of General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (additionally secured by pledged revenues) Series 2006C. The interest rate is reset daily and paid monthly. The first principal payment is due in 2011 with a final maturity in 2036.

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**COMBINING & INDIVIDUAL  
FUND STATEMENTS  
& SCHEDULES SECTION**

# Major Governmental Funds



## **Major Governmental Funds**

### **GENERAL FUND**

The General Fund is the primary operating fund of the City. The fund is supported by a variety of revenue sources and is used to finance a wide range of activities traditionally associated with government which are not legally or by sound financial management to be accounted for in another fund. General Fund resources are ordinarily expended and replenished on an annual basis.

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### **CAPITAL PROJECTS FUND**

#### **PARKS AND LEISURE ACTIVITIES FUND**

This fund is used to account for the costs of constructing new or improving existing parks, recreation centers and senior citizen facilities. Financing is provided by transfers from the General Fund, the Las Vegas Convention and Visitors Authority Special Revenue Fund, bond proceeds, grants and park impact fees.

#### **ROAD AND FLOOD FUND**

This fund is used to account for major infrastructure improvements to the City's arterial street system and floodwater conveyance systems. Financing is provided primarily by Clark County, the Regional Transportation Commission and the Clark County Regional Flood Control District.

#### **CITY FACILITIES FUND**

This fund is used to account for the costs of capital improvements which are periodically required at the City Hall Complex, its satellite facilities and the maintenance yards. Revenues are derived primarily from General Fund transfers and bond proceeds.

#### **SPECIAL ASSESSMENTS FUND**

This fund is used to account for the costs of major infrastructure improvements which benefit particular taxpayers whose properties are being developed through a special assessment district. Funding is provided by bond proceeds and assessment payments from property owners.

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Taxes:</b>				
Ad valorem property tax	\$ 94,470,700	\$ 94,470,700	\$ 94,866,381	\$ 395,681
Room tax	2,472,500	2,472,500	2,455,374	(17,126)
Total taxes	<u>96,943,200</u>	<u>96,943,200</u>	<u>97,321,755</u>	<u>378,555</u>
<b>Licenses and permits:</b>				
Business licenses	14,320,000	14,320,000	13,838,572	(481,428)
Liquor licenses	1,823,000	1,823,000	1,808,911	(14,089)
City gaming licenses	3,939,000	3,939,000	3,937,235	(1,765)
<b>Franchise fees:</b>				
Gas utility	6,474,000	6,474,000	7,253,325	779,325
Electric utility	23,035,000	23,035,000	24,453,095	1,418,095
Sanitation utility	3,150,000	3,150,000	3,171,664	21,664
Telephone utility	10,516,000	10,516,000	10,306,450	(209,550)
Garbage collection	3,241,000	3,241,000	3,133,930	(107,070)
Cable television	2,797,000	2,797,000	2,804,100	7,100
Concessions/taxi stands	4,000	4,000		(4,000)
Ambulance	347,000	347,000	349,418	2,418
Animal permits			7,175	7,175
Building permits	3,681,000	3,681,000	3,310,066	(370,934)
Off-site permits	2,073,000	2,073,000	1,992,416	(80,584)
Miscellaneous permits			750	750
Total licenses and permits	<u>75,400,000</u>	<u>75,400,000</u>	<u>76,367,107</u>	<u>967,107</u>
<b>Intergovernmental:</b>				
Other federal revenues			1,015	1,015
Consolidated tax	251,800,000	263,800,000	264,253,250	453,250
Other state revenues			67,973	67,973
County gaming licenses (city share)	3,733,000	3,733,000	3,917,459	184,459
Contributions from other governments			6,000	6,000
Other local government revenues	992,000	992,000	758,824	(233,176)
Other local units payment in lieu of taxes	101,000	101,000	114,262	13,262
Total intergovernmental	<u>256,626,000</u>	<u>268,626,000</u>	<u>269,118,783</u>	<u>492,783</u>
<b>Charges for services:</b>				
<b>General government:</b>				
Intracity reimbursable charges	3,535,000	3,535,000	3,650,597	115,597
Planning and development charges	716,000	716,000	890,602	174,602
Business license application fees	210,000	210,000	309,603	99,603
Other	945,000	945,000	429,550	(515,450)
Total general government	<u>5,406,000</u>	<u>5,406,000</u>	<u>5,280,352</u>	<u>(125,648)</u>
<b>Judicial:</b>				
Financial counseling fees	82,000	82,000	318,747	236,747
Court counseling fees	1,290,000	1,290,000	1,302,485	12,485
Traffic school fees	497,000	497,000	682,967	185,967
Assessment center fees	55,000	55,000	71,107	16,107
Court fees	1,164,000	1,164,000	1,609,638	445,638
Other	21,000	21,000	37,088	16,088
Total judicial	<u>3,109,000</u>	<u>3,109,000</u>	<u>4,022,032</u>	<u>913,032</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for services (continued):				
Public safety:				
Intracity reimbursable charges	594,000	594,000	252,671	(341,329)
EMS Transport	2,233,800	2,233,800	2,376,428	142,628
Inmate housing	8,980,000	8,980,000	9,461,165	481,165
Other	625,000	625,000	1,286,279	661,279
Total public safety	<u>12,432,800</u>	<u>12,432,800</u>	<u>13,376,543</u>	<u>943,743</u>
Public works:				
Intracity reimbursable charges	2,923,000	2,923,000	2,583,706	(339,294)
Other	140,000	140,000	220,013	80,013
Total public works	<u>3,063,000</u>	<u>3,063,000</u>	<u>2,803,719</u>	<u>(259,281)</u>
Health:				
Animal shelter fees			11,363	11,363
Total health	<u>0</u>	<u>0</u>	<u>11,363</u>	<u>11,363</u>
Culture and recreation:				
Intracity reimbursable charges	11,000	11,000	16,041	5,041
Recreation fees	1,600,000	1,600,000	2,090,791	490,791
Theater admissions	130,000	130,000	117,516	(12,484)
Swimming pool fees	200,000	200,000	267,585	67,585
Softball fees	300,000	300,000	254,019	(45,981)
Other	100,000	100,000	143,064	43,064
Total culture and recreation	<u>2,341,000</u>	<u>2,341,000</u>	<u>2,889,016</u>	<u>548,016</u>
Economic development and assistance:				
Intracity reimbursable charges	92,000	92,000	138,604	46,604
Total economic development and assistance	<u>92,000</u>	<u>92,000</u>	<u>138,604</u>	<u>46,604</u>
Transit systems:				
Transport fees	333,000	333,000	306,040	(26,960)
Total transit systems	<u>333,000</u>	<u>333,000</u>	<u>306,040</u>	<u>(26,960)</u>
Total charges for services	<u>26,776,800</u>	<u>26,776,800</u>	<u>28,827,669</u>	<u>2,050,869</u>
Fines and forfeits:				
Court fines	14,074,000	14,074,000	14,749,114	675,114
Forfeited bail	349,000	349,000	427,390	78,390
Total fines and forfeits	<u>14,423,000</u>	<u>14,423,000</u>	<u>15,176,504</u>	<u>753,504</u>
Interest	701,000	701,000	1,821,731	1,120,731
Miscellaneous:				
Rents and royalties	1,282,000	1,282,000	1,271,052	(10,948)
Other	264,000	264,000	535,021	271,021
Total miscellaneous	<u>1,546,000</u>	<u>1,546,000</u>	<u>1,806,073</u>	<u>260,073</u>
Total revenues	<u>472,416,000</u>	<u>484,416,000</u>	<u>490,439,622</u>	<u>6,023,622</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures By Function and Activity				
General government:				
Legislative:				
City council:				
Salaries and wages	1,859,031	1,784,031	1,666,069	117,962
Employee benefits	732,616	707,616	729,768	(22,152)
Services and supplies	425,645	425,645	343,493	82,152
Total city council	<u>3,017,292</u>	<u>2,917,292</u>	<u>2,739,330</u>	<u>177,962</u>
Executive:				
City manager:				
Salaries and wages	2,156,980	2,156,980	1,992,640	164,340
Employee benefits	814,338	814,338	937,102	(122,764)
Services and supplies	1,395,097	1,295,097	848,097	447,000
Total city manager	<u>4,366,415</u>	<u>4,266,415</u>	<u>3,777,839</u>	<u>488,576</u>
Financial administration:				
City attorney:				
Salaries and wages	2,625,154	2,625,154	2,618,982	6,172
Employee benefits	865,350	865,350	922,826	(57,476)
Services and supplies	534,240	834,240	734,941	99,299
Total city attorney	<u>4,024,744</u>	<u>4,324,744</u>	<u>4,276,749</u>	<u>47,995</u>
City clerk:				
Salaries and wages	1,091,521	1,091,521	1,042,598	48,923
Employee benefits	422,099	422,099	409,142	12,957
Services and supplies	390,610	390,610	380,102	10,508
Capital outlay	33,200	33,200	18,871	14,329
Total city clerk	<u>1,937,430</u>	<u>1,937,430</u>	<u>1,850,713</u>	<u>86,717</u>
Internal audit:				
Salaries and wages	571,608	571,608	569,958	1,650
Employee benefits	198,682	198,682	242,921	(44,239)
Services and supplies	90,087	140,087	123,598	16,489
Total internal audit	<u>860,377</u>	<u>910,377</u>	<u>936,477</u>	<u>(26,100)</u>
Human resources:				
Salaries and wages	2,663,077	2,663,077	2,589,370	73,707
Employee benefits	995,132	995,132	1,036,520	(41,388)
Services and supplies	859,338	859,338	906,406	(47,068)
Total human resources	<u>4,517,547</u>	<u>4,517,547</u>	<u>4,532,296</u>	<u>(14,749)</u>
Finance and business services:				
Salaries and wages	5,406,914	5,306,914	5,084,545	222,369
Employee benefits	2,013,621	2,013,621	2,052,022	(38,401)
Services and supplies	1,126,702	1,126,702	1,435,235	(308,533)
Total finance and business services	<u>8,547,237</u>	<u>8,447,237</u>	<u>8,571,802</u>	<u>(124,565)</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General government (continued):				
Other:				
Planning and development:				
Salaries and wages	3,810,421	3,560,421	3,401,996	158,425
Employee benefits	1,430,498	1,430,498	1,353,935	76,563
Services and supplies	852,519	902,519	898,564	3,955
Total planning and development	<u>6,093,438</u>	<u>5,893,438</u>	<u>5,654,495</u>	<u>238,943</u>
Information technologies:				
Salaries and wages	5,462,955	5,462,955	5,258,622	204,333
Employee benefits	1,986,732	1,986,732	1,988,852	(2,120)
Services and supplies	2,773,577	2,773,577	1,945,298	828,279
Capital outlay	50,000	50,000		50,000
Total information technologies	<u>10,273,264</u>	<u>10,273,264</u>	<u>9,192,772</u>	<u>1,080,492</u>
Utilities:				
Services and supplies	<u>17,224,000</u>	<u>17,224,000</u>	<u>15,448,668</u>	<u>1,775,332</u>
Nondepartmental:				
Employee benefits	2,500,000	500,000	217,194	282,806
Services and supplies	7,885,000	4,890,019	1,731,472	3,158,547
Total non-departmental	<u>10,385,000</u>	<u>5,390,019</u>	<u>1,948,666</u>	<u>3,441,353</u>
Architectural services:				
Salaries and wages	1,508,181	1,258,181	1,270,522	(12,341)
Employee benefits	535,569	435,569	464,597	(29,028)
Services and supplies	167,413	167,413	157,767	9,646
Total architectural services	<u>2,211,163</u>	<u>1,861,163</u>	<u>1,892,886</u>	<u>(31,723)</u>
Purchasing and contracts:				
Salaries and wages	1,739,882	1,739,882	1,649,307	90,575
Employee benefits	630,982	630,982	634,306	(3,324)
Services and supplies	225,032	225,032	184,045	40,987
Total purchasing and contracts	<u>2,595,896</u>	<u>2,595,896</u>	<u>2,467,658</u>	<u>128,238</u>
Facilities management:				
Salaries and wages	5,733,319	5,508,319	5,533,042	(24,723)
Employee benefits	2,273,292	2,273,292	2,283,516	(10,224)
Services and supplies	3,913,142	3,638,142	3,247,904	390,238
Capital outlay	319,625	319,625		319,625
Total facilities management	<u>12,239,378</u>	<u>11,739,378</u>	<u>11,064,462</u>	<u>674,916</u>
Real estate and asset management:				
Salaries and wages	365,001			
Employee benefits	130,748			
Services and supplies	180,712			
Total real estate and asset management	<u>676,461</u>	<u>0</u>	<u>0</u>	<u>0</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government (continued):				
Field operations administration:				
Salaries and wages	317,706	317,706	320,290	(2,584)
Employee benefits	121,863	121,863	129,009	(7,146)
Services and supplies	49,396	49,396	48,649	747
Total field operations	<u>488,965</u>	<u>488,965</u>	<u>497,948</u>	<u>(8,983)</u>
Total general government	<u>89,458,607</u>	<u>82,787,165</u>	<u>74,852,761</u>	<u>7,934,404</u>
Judicial:				
Municipal courts:				
Municipal courts:				
Salaries and wages	9,000,560	8,800,560	8,565,590	234,970
Employee benefits	3,682,443	3,732,443	3,750,407	(17,964)
Services and supplies	3,760,528	3,610,528	2,916,637	693,891
Total municipal court	<u>16,443,531</u>	<u>16,143,531</u>	<u>15,232,634</u>	<u>910,897</u>
City attorney-criminal division:				
Salaries and wages	2,365,874	2,365,874	2,124,159	241,715
Employee benefits	934,365	934,365	906,009	28,356
Services and supplies	594,057	594,057	551,570	42,487
Total city attorney- criminal division	<u>3,894,296</u>	<u>3,894,296</u>	<u>3,581,738</u>	<u>312,558</u>
Public defender:				
Public defender:				
Services and supplies	484,000	534,000	513,441	20,559
Total public defender	<u>484,000</u>	<u>534,000</u>	<u>513,441</u>	<u>20,559</u>
Alternative sentencing and education:				
Alternative sentencing and education:				
Salaries and wages	2,209,259	2,059,259	1,844,954	214,305
Employee benefits	832,562	832,562	750,232	82,330
Services and supplies	755,518	705,518	564,539	140,979
Total alternative sentencing and education	<u>3,797,339</u>	<u>3,597,339</u>	<u>3,159,725</u>	<u>437,614</u>
Total judicial	<u>24,619,166</u>	<u>24,169,166</u>	<u>22,487,538</u>	<u>1,681,628</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Public safety:				
Police:				
Metro police department:				
Services and supplies	115,030,951	114,830,951	114,275,964	554,987
Total metro police department	<u>115,030,951</u>	<u>114,830,951</u>	<u>114,275,964</u>	<u>554,987</u>
City marshals:				
Salaries and wages	5,348,773	5,348,773	5,313,490	35,283
Employee benefits	2,486,515	2,486,515	2,442,771	43,744
Services and supplies	1,433,814	1,433,814	1,069,736	364,078
Capital outlay			11,000	(11,000)
Total city marshals	<u>9,269,102</u>	<u>9,269,102</u>	<u>8,836,997</u>	<u>432,105</u>
Fire:				
Fire and rescue:				
Salaries and wages	55,676,488	58,176,488	57,443,443	733,045
Employee benefits	25,743,870	25,743,870	25,684,136	59,734
Services and supplies	11,909,055	11,909,055	10,696,892	1,212,163
Capital outlay	229,982	229,982	285,103	(55,121)
Total fire and rescue	<u>93,559,395</u>	<u>96,059,395</u>	<u>94,109,574</u>	<u>1,949,821</u>
Corrections:				
Detention and correctional services:				
Salaries and wages	21,713,000	21,713,000	21,165,156	547,844
Employee benefits	9,807,871	9,607,871	9,382,916	224,955
Services and supplies	11,724,469	11,424,469	9,172,792	2,251,677
Capital outlay	146,702	146,702	10,425	136,277
Total detention and correctional services	<u>43,392,042</u>	<u>42,892,042</u>	<u>39,731,289</u>	<u>3,160,753</u>
Other protection:				
Traffic engineering:				
Salaries and wages	7,542,611	7,542,611	6,487,507	1,055,104
Employee benefits	2,715,936	2,715,936	2,417,047	298,889
Services and supplies	2,743,700	2,743,700	2,515,159	228,541
Capital outlay			10,392	(10,392)
Total traffic engineering	<u>13,002,247</u>	<u>13,002,247</u>	<u>11,430,105</u>	<u>1,572,142</u>
Neighborhood response:				
Salaries and wages	1,400,672	1,400,672	1,313,287	87,385
Employee benefits	541,011	541,011	522,840	18,171
Services and supplies	551,360	551,360	436,008	115,352
Total neighborhood response	<u>2,493,043</u>	<u>2,493,043</u>	<u>2,272,135</u>	<u>220,908</u>
Total public safety	<u>276,746,780</u>	<u>278,546,780</u>	<u>270,656,064</u>	<u>7,890,716</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public works:				
Administration:				
Public works administration:				
Salaries and wages	617,739	617,739	622,837	(5,098)
Employee benefits	248,691	248,691	243,742	4,949
Services and supplies	278,411	278,411	110,493	167,918
Total public works administration	<u>1,144,841</u>	<u>1,144,841</u>	<u>977,072</u>	<u>167,769</u>
Engineering:				
Engineering and planning:				
Salaries and wages	9,919,099	9,519,099	8,889,035	630,064
Employee benefits	3,589,858	3,489,858	3,320,272	169,586
Services and supplies	2,900,258	2,900,258	1,669,429	1,230,829
Capital outlay			93,039	(93,039)
Total engineering and planning	<u>16,409,215</u>	<u>15,909,215</u>	<u>13,971,775</u>	<u>1,937,440</u>
Paved streets:				
Street maintenance:				
Salaries and wages	880,784	880,784	813,010	67,774
Employee benefits	319,847	319,847	290,644	29,203
Services and supplies	574,262	674,262	480,166	194,096
Total street maintenance	<u>1,774,893</u>	<u>1,874,893</u>	<u>1,583,820</u>	<u>291,073</u>
Total public works	<u>19,328,949</u>	<u>18,928,949</u>	<u>16,532,667</u>	<u>2,396,282</u>
Health:				
Animal control:				
Animal care and control:				
Salaries and wages	1,188,480	1,188,480	1,098,897	89,583
Employee benefits	439,417	439,417	422,284	17,133
Services and supplies	1,087,997	1,087,997	918,969	169,028
Total animal care and control	<u>2,715,894</u>	<u>2,715,894</u>	<u>2,440,150</u>	<u>275,744</u>
Cemetery operation:				
Woodlawn cemetery:				
Services and supplies	70,000	70,000	94,945	(24,945)
Total Woodlawn cemetery	<u>70,000</u>	<u>70,000</u>	<u>94,945</u>	<u>(24,945)</u>
Communicable disease control:				
Communicable disease control:				
Services and supplies	50,000	50,000		50,000
Total communicable disease control	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total health	<u>2,835,894</u>	<u>2,835,894</u>	<u>2,535,095</u>	<u>300,799</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and recreation:				
Culture and recreation administration:				
Administration:				
Salaries and wages	1,670,192	1,670,192	1,509,727	160,465
Employee benefits	627,382	627,382	620,922	6,460
Services and supplies	265,046	265,046	267,299	(2,253)
Total administration	<u>2,562,620</u>	<u>2,562,620</u>	<u>2,397,948</u>	<u>164,672</u>
Participant recreation:				
Recreation and adaptive programming:				
Salaries and wages	8,302,668	8,302,668	7,724,621	578,047
Employee benefits	3,182,160	3,182,160	2,659,210	522,950
Services and supplies	2,750,307	3,550,307	3,521,076	29,231
Capital outlay			35,467	(35,467)
Total recreation and adaptive programming	<u>14,235,135</u>	<u>15,035,135</u>	<u>13,940,374</u>	<u>1,094,761</u>
Spectator recreation:				
Cultural and community affairs:				
Salaries and wages	2,823,955	2,873,955	2,742,637	131,318
Employee benefits	1,405,965	1,105,965	995,425	110,540
Services and supplies	1,620,339	1,670,339	1,659,927	10,412
Capital outlay	102,500	102,500	78,291	24,209
Total cultural and community affairs	<u>5,952,759</u>	<u>5,752,759</u>	<u>5,476,280</u>	<u>276,479</u>
Parks:				
Parks and open spaces:				
Salaries and wages	7,500,754	7,200,754	7,002,185	198,569
Employee benefits	3,070,581	3,020,581	2,937,685	82,896
Services and supplies	4,815,962	4,965,962	4,479,584	486,378
Total parks and open spaces	<u>15,387,297</u>	<u>15,187,297</u>	<u>14,419,454</u>	<u>767,843</u>
Senior citizens:				
Senior citizen activities:				
Salaries and wages	1,945,090	1,795,090	1,535,065	260,025
Employee benefits	807,653	757,653	703,983	53,670
Services and supplies	407,378	407,378	497,666	(90,288)
Total senior citizen activities	<u>3,160,121</u>	<u>2,960,121</u>	<u>2,736,714</u>	<u>223,407</u>
Total culture and recreation	<u>41,297,932</u>	<u>41,497,932</u>	<u>38,970,770</u>	<u>2,527,162</u>

Continued

CITY OF LAS VEGAS, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL BY FUNCTION AND ACTIVITY (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Economic development and assistance:				
Economic development and assistance:				
Office of business development:				
Salaries and wages	269,683	269,683	280,404	(10,721)
Employee benefits	107,594	107,594	99,974	7,620
Services and supplies	101,523	101,523	66,211	35,312
Total office of business development	<u>478,800</u>	<u>478,800</u>	<u>446,589</u>	<u>32,211</u>
Neighborhood services:				
Neighborhood services:				
Salaries and wages	3,635,025	3,635,025	3,326,252	308,773
Employee benefits	1,384,489	1,384,489	1,320,314	64,175
Services and supplies	1,406,034	1,406,034	1,378,166	27,868
Capital outlay	64,512	64,512	64,674	(162)
Total neighborhood services	<u>6,490,060</u>	<u>6,490,060</u>	<u>6,089,406</u>	<u>400,654</u>
Total economic development and assistance	<u>6,968,860</u>	<u>6,968,860</u>	<u>6,535,995</u>	<u>432,865</u>
Transit systems:				
Transportation services:				
Transportation services:				
Salaries and wages	720,273	720,273	610,674	109,599
Employee benefits	288,227	288,227	289,186	(959)
Services and supplies	574,504	574,504	390,088	184,416
Total transportation services	<u>1,583,004</u>	<u>1,583,004</u>	<u>1,289,948</u>	<u>293,056</u>
Total transit systems	<u>1,583,004</u>	<u>1,583,004</u>	<u>1,289,948</u>	<u>293,056</u>
Total expenditures	<u>462,839,192</u>	<u>457,317,750</u>	<u>433,860,838</u>	<u>23,456,912</u>
Excess of revenues over expenditures	<u>\$ 9,576,808</u>	<u>\$ 27,098,250</u>	<u>\$ 56,578,784</u>	<u>\$ 29,480,534</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
PARKS AND LEISURE ACTIVITIES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 44,849,227	\$ 44,849,227	\$ 7,373,143	\$ (37,476,084)
Charges for services			179,596	179,596
Interest	2,195,000	2,195,000	2,015,606	(179,394)
Miscellaneous			61,951	61,951
Total revenues	<u>47,044,227</u>	<u>47,044,227</u>	<u>9,630,296</u>	<u>(37,413,931)</u>
Expenditures:				
Current:				
Culture and recreation			375,219	(375,219)
Capital outlay:				
Culture and recreation	181,647,751	172,847,751	35,439,897	137,407,854
Total expenditures	<u>181,647,751</u>	<u>172,847,751</u>	<u>35,815,116</u>	<u>137,032,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(134,603,524)</u>	<u>(125,803,524)</u>	<u>(26,184,820)</u>	<u>99,618,704</u>
Other financing sources (uses):				
Transfers in	12,453,169	12,453,169	22,235,561	9,782,392
Transfers out		(8,800,000)	(8,800,000)	
General obligation bonds issued	124,000,000	124,000,000	47,000,000	(77,000,000)
Premium (discount)			808,500	808,500
Total other financing sources (uses)	<u>136,453,169</u>	<u>127,653,169</u>	<u>61,244,061</u>	<u>(66,409,108)</u>
Net changes in fund balances	1,849,645	1,849,645	35,059,241	33,209,596
Fund balances, July 1	<u>76,038,794</u>	<u>76,038,794</u>	<u>77,567,238</u>	<u>1,528,444</u>
Fund balances, June 30	<u>\$ 77,888,439</u>	<u>\$ 77,888,439</u>	<u>\$ 112,626,479</u>	<u>\$ 34,738,040</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
ROAD AND FLOOD CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 137,540,746	\$ 137,540,746	\$ 65,065,509	\$ (72,475,237)
Charges for services			151,396	151,396
Miscellaneous			315,610	315,610
Total revenues	<u>137,540,746</u>	<u>137,540,746</u>	<u>65,532,515</u>	<u>(72,008,231)</u>
Expenditures:				
Current:				
Public works	1,491,573	1,491,573	19,660,055	(18,168,482)
Capital outlay:				
Public works	136,149,173	136,139,173	46,112,588	90,026,585
Total expenditures	<u>137,640,746</u>	<u>137,630,746</u>	<u>65,772,643</u>	<u>71,858,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,000)</u>	<u>(90,000)</u>	<u>(240,128)</u>	<u>(150,128)</u>
Other financing sources (uses):				
Transfers in	25,000	25,000	4,140,112	4,115,112
Transfers out		(10,000)	(9,750)	250
Total other financing sources (uses)	<u>25,000</u>	<u>15,000</u>	<u>4,130,362</u>	<u>4,115,362</u>
Net changes in fund balances	(75,000)	(75,000)	3,890,234	3,965,234
Fund balances, July 1	<u>4,777,005</u>	<u>4,777,005</u>	<u>4,263,008</u>	<u>(513,997)</u>
Fund balances, June 30	<u>\$ 4,702,005</u>	<u>\$ 4,702,005</u>	<u>\$ 8,153,242</u>	<u>\$ 3,451,237</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CITY FACILITIES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

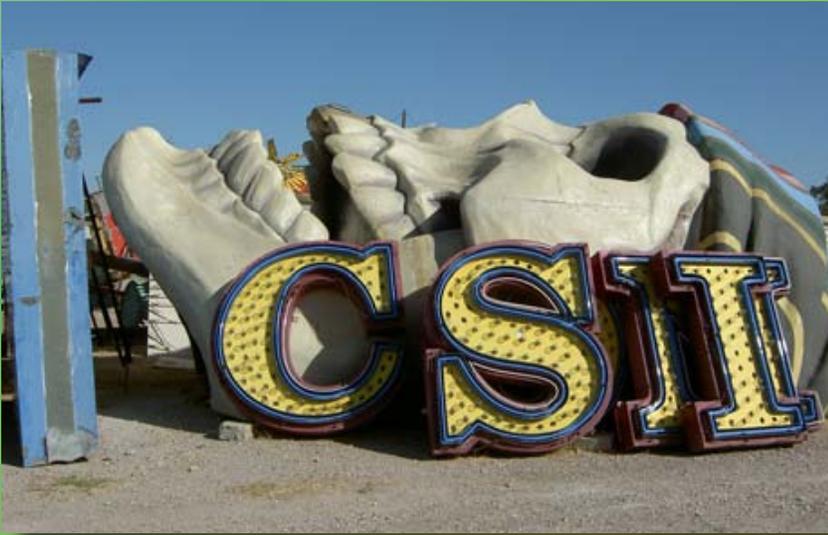
	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 1,599,000	\$ 1,599,000	\$ 1,433,360	\$ (165,640)
Miscellaneous			1,040	1,040
Total revenues	<u>1,599,000</u>	<u>1,599,000</u>	<u>1,434,400</u>	<u>(164,600)</u>
Expenditures:				
Capital outlay:				
General government	42,259,165	41,459,165	11,542,599	29,916,566
Total expenditures	<u>42,259,165</u>	<u>41,459,165</u>	<u>11,542,599</u>	<u>29,916,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,660,165)</u>	<u>(39,860,165)</u>	<u>(10,108,199)</u>	<u>29,751,966</u>
Other financing sources (uses):				
Transfers in	5,605,000	5,605,000	4,370,000	(1,235,000)
Transfers out		(800,000)	(800,000)	
Sales of general fixed assets			1,190,144	1,190,144
Total other financing sources (uses)	<u>5,605,000</u>	<u>4,805,000</u>	<u>4,760,144</u>	<u>(44,856)</u>
Net changes in fund balances	(35,055,165)	(35,055,165)	(5,348,055)	29,707,110
Fund balances, July 1	<u>51,264,611</u>	<u>51,264,611</u>	<u>55,930,474</u>	<u>4,665,863</u>
Fund balances, June 30	<u>\$ 16,209,446</u>	<u>\$ 16,209,446</u>	<u>\$ 50,582,419</u>	<u>\$ 34,372,973</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessments	\$ 1,284,000	\$ 1,284,000	\$ 2,056,011	\$ 772,011
Interest	1,229,787	1,229,787	1,974,938	745,151
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>116,265</u>	<u>115,265</u>
Total revenues	<u>2,514,787</u>	<u>2,514,787</u>	<u>4,147,214</u>	<u>1,632,427</u>
Expenditures:				
Current:				
Public works	136,500	136,500	13,902,129	(13,765,629)
Capital outlay:				
Public works	<u>45,362,740</u>	<u>44,862,740</u>	<u>1,444,937</u>	<u>43,417,803</u>
Total expenditures	<u>45,499,240</u>	<u>44,999,240</u>	<u>15,347,066</u>	<u>29,652,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,984,453)</u>	<u>(42,484,453)</u>	<u>(11,199,852)</u>	<u>31,284,601</u>
Other financing sources (uses):				
Transfers in	208,500	208,500	9,750	(198,750)
Transfers out	(1,167,677)	(1,667,677)	(1,684,289)	(16,612)
Special assessment bonds issued	<u>8,175,000</u>	<u>8,175,000</u>	<u>38,472</u>	<u>(8,136,528)</u>
Total other financing sources (uses)	<u>7,215,823</u>	<u>6,715,823</u>	<u>(1,636,067)</u>	<u>(8,351,890)</u>
Net changes in fund balances	(35,768,630)	(35,768,630)	(12,835,919)	22,932,711
Fund balances, July 1	<u>54,340,665</u>	<u>54,340,665</u>	<u>56,715,209</u>	<u>2,374,544</u>
Fund balances, June 30	<u>\$ 18,572,035</u>	<u>\$ 18,572,035</u>	<u>\$ 43,879,290</u>	<u>\$ 25,307,255</u>

See accompanying independent auditors' report.



## Non-Major Governmental Funds



# Nonmajor Governmental Funds

## SPECIAL REVENUE FUNDS

**Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for expenditure for specified purposes.**

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**Multipurpose Fund**—This fund accounts for a variety of small programs of a specific nature. Each revenue source has a designated purpose restricted by grant award and/or Council resolution and action.

**Las Vegas Convention and Visitors Authority Fund**—This fund accounts for monies received from the Las Vegas Convention and Visitors Authority and subsequent transfers to community programs. The City annually receives a restricted grant which must be used for recreational purposes.

**Fremont Street Room Tax Fund**—This fund accounts for monies received from a special 1% downtown room tax. The revenues are to be used exclusively for the purpose of constructing or improving urban projects of the central business area located in downtown Las Vegas.

**Special Improvement District Administration Fund**—This fund accounts for monies received from a 1% administrative fee assessed property owners under Nevada Revised Statute 271.415. The revenues are used to administer the billing and collection of assessments, as well as parcel apportionments on development assessments.

**Freeway and Arterial System of Transportation Fund (FAST)**—This fund accounts for monies received from Clark County, and the Cities of Las Vegas and North Las Vegas to provide a computerized traffic control system for the Las Vegas urban areas.

**Park Construction Program Fund**—This fund accounts for residential construction tax levied per City ordinance on developers and other builders. The revenue will be used to construct neighborhood parks within four designated park districts.

**Transportation Program Fund**—This fund accounts for revenues received from a 1% motel/hotel room tax to be used exclusively for transportation improvement projects in the downtown areas.

**Street Maintenance Fund**—This fund accounts for revenues received from the City's portion of the motor vehicle fuel tax to be used for maintenance of existing streets and roadways.

**Housing Program Fund**—This fund is used to finance the City's affordable housing needs. Public/ private partnerships are coordinated via federal grant programs, public fund raising and private foundation support.

**Housing and Urban Development Fund**—This fund is used to account for monies received by the City as a grantee participant in the federal Community Development Block Grant and Home Investment in Affordable Housing programs which must be used for qualifying projects.

**Industrial Development Fund**—The activities in this fund include the purchase of land for industrial and business parks, construction of infrastructure and other improvements, and the marketing and sale of property within the parks. Revenues are derived primarily from land sales.

**Fire Safety Initiative Fund**—This fund accounts for a supplemental property tax levy approved by the voters. The revenue will be used for fire station construction, equipment acquisition and additional crews.

**City of Las Vegas Redevelopment Agency Fund**—This fund accounts for the financial activity of the Agency which derives its revenues from bond proceeds and property taxes that will be used to rehabilitate the redevelopment district.

## **Nonmajor Governmental Funds - Continued**

### **DEBT SERVICE FUNDS**

**Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the debt payments.**

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City of Las Vegas Fund—This fund is used to account for the annual payment of principal, interest and other fiscal charges necessary to retire the City's general obligation long-term debt.

City of Las Vegas Redevelopment Agency Fund—This fund is used to account for the annual payment of principal, interest and other fiscal charges necessary to retire the Agency's long-term debt.

### **CAPITAL PROJECTS FUNDS**

**Capital Projects Funds are used to account for the purchase or construction of major facilities which are not financed by proprietary funds.**

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General Capital Projects Fund—This fund accounts for the financing and construction of general-purpose public facilities. Financing is provided primarily from bond proceeds and the Housing and Urban Development/Community Development Block Grant and HOME Grant programs.

Fire Service Fund—This fund accounts for costs of constructing new fire stations and making improvements to existing stations. Financing is provided by bond proceeds, interest earnings and transfers from the Fire Safety Initiative Special Revenue Fund.

Public Works Fund—This fund is used to account for the financing of street rehabilitation and neighborhood drainage improvement programs with revenues provided primarily from the Street Maintenance Special Revenue Fund.

Traffic Improvements Fund—This fund is used to account for the costs of traffic capacity improvements such as installing street signs, traffic signals and street lighting. Financing is provided primarily by the State of Nevada Department of Transportation, the Regional Transportation Commission and developer donations.

Detention and Enforcement Fund—This fund is used to account for the costs incurred in the expansion or improvement of the existing detention facilities. Financing is provided by bond proceeds and interest earnings.

Extraordinary Maintenance Fund—This fund provides for costs incurred not more than once every five years to repair, improve or maintain a facility or capital project into a fit operating condition. An amount equal to one-half or one percent of the total amount of bonds sold for each project is deposited into a separate interest-bearing account to be used exclusively for that project.

City of Las Vegas Redevelopment Agency Fund—This fund is used to account for the financial activity of the Agency which derives its revenues from bond proceeds and property taxes that will be used to rehabilitate areas within the redevelopment boundaries.

## Nonmajor Governmental Funds - Continued

### PERMANENT FUND

**Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.**

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Cemetery Operations Permanent Fund—This fund is used to account for principal trust amounts received. The interest earned on the trust principal is used by the cemetery operator to maintain Woodlawn cemetery.

CITY OF LAS VEGAS, NEVADA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2006

	<u>Multipurpose</u>	<u>Las Vegas Convention and Visitors Authority</u>	<u>Fremont Street Room Tax</u>	<u>Special Improvement District Administration</u>	<u>Freeway and Arterial System of Transportation</u>	<u>Park Construction Program</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 16,484,673	\$	\$ 2,026,283	\$ 10,542,931	\$ 37,933	\$ 12,426,697
Investments	717,090					
Receivables (net of allowances for uncollectibles):						
Property taxes						
Accounts	681			326,335	2,500	
Interest	90,651		8,199	43,064		75,082
Loans						
Special assessments				15,152		
Intergovernmental	8,982,498	1,760,253			1,974	
Due from other funds	124,978					
Land held for resale						
Deposits						
Permanently restricted:						
Cash and cash equivalents						
Investments						
<b>Total assets</b>	<u>\$ 26,400,571</u>	<u>\$ 1,760,253</u>	<u>\$ 2,034,482</u>	<u>\$ 10,927,482</u>	<u>\$ 42,407</u>	<u>\$ 12,501,779</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 4,273,593	\$	\$	\$ 78,357	\$ 26	\$
Compensated absences payable						
Due to other funds	33,750	850,813				
Deposits payable	31,859					
Contracts payable						
Loans payable						
Intergovernmental payable						
Deferred revenue						
<b>Total liabilities</b>	<u>4,339,202</u>	<u>850,813</u>	<u>0</u>	<u>78,357</u>	<u>26</u>	<u>0</u>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Debt service			400,000			
Noncurrent loans receivable						
Land held for resale						
Cemetery perpetual care						
Nonexpendable						
<b>Unreserved:</b>						
Designated for construction projects		909,440		10,849,125		12,501,779
Designated for redevelopment projects						
Undesignated	22,061,369		1,634,482		42,381	
<b>Total fund balances</b>	<u>22,061,369</u>	<u>909,440</u>	<u>2,034,482</u>	<u>10,849,125</u>	<u>42,381</u>	<u>12,501,779</u>
<b>Total liabilities and fund balances</b>	<u>\$ 26,400,571</u>	<u>\$ 1,760,253</u>	<u>\$ 2,034,482</u>	<u>\$ 10,927,482</u>	<u>\$ 42,407</u>	<u>\$ 12,501,779</u>

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

<u>Transportation Programs</u>	<u>Street Maintenance</u>	<u>Housing Program</u>	<u>Housing and Urban Development</u>	<u>Industrial Development</u>	<u>Fire Safety Initiative</u>	<u>City of Las Vegas Redevelopment Agency</u>	<u>Totals</u>
\$ 9,237,826	\$ 11,708,601	\$ 2,017,395	\$ 741,714	\$ 2,340,611	\$ 4,626,292	\$ 7,440,008	\$ 79,630,964 717,090
					228,061		228,061
			3,037	27,642			360,195
46,903	58,583	8,133		13,857	23,322	24,391	392,185
		2,423,666	3,334,514	12,075,577		836,534	18,670,291
							15,152
237,106	1,507,576	124,907	1,101,099				13,715,413
		73,746					198,724
		573,404				6,106,428	6,679,832
		10,000				13,580	23,580
<u>\$ 9,521,835</u>	<u>\$ 13,274,760</u>	<u>\$ 5,231,251</u>	<u>\$ 5,180,364</u>	<u>\$ 14,457,687</u>	<u>\$ 4,877,675</u>	<u>\$ 14,420,941</u>	<u>\$ 120,631,487</u>
\$ 198,594	\$ 586,318	\$ 1,000	\$ 1,124,829	\$ 17,074	\$	\$ 143,454	\$ 6,423,245
			1,064				1,064
			422,537			113,049	1,420,149
			16,123	404,630		564,025	1,016,637
	172,629		10,000				182,629
				811,534			811,534
		80,037				12	80,049
					119,266		119,266
<u>198,594</u>	<u>758,947</u>	<u>81,037</u>	<u>1,574,553</u>	<u>1,233,238</u>	<u>119,266</u>	<u>820,540</u>	<u>10,054,573</u>
							400,000
			347,687				347,687
	12,515,813	5,150,214					41,926,371
						9,939,448	9,939,448
<u>9,323,241</u>	<u></u>	<u></u>	<u>3,258,124</u>	<u>13,224,449</u>	<u>4,758,409</u>	<u>3,660,953</u>	<u>57,963,408</u>
<u>9,323,241</u>	<u>12,515,813</u>	<u>5,150,214</u>	<u>3,605,811</u>	<u>13,224,449</u>	<u>4,758,409</u>	<u>13,600,401</u>	<u>110,576,914</u>
<u>\$ 9,521,835</u>	<u>\$ 13,274,760</u>	<u>\$ 5,231,251</u>	<u>\$ 5,180,364</u>	<u>\$ 14,457,687</u>	<u>\$ 4,877,675</u>	<u>\$ 14,420,941</u>	<u>\$ 120,631,487</u>

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CITY OF LAS VEGAS, NEVADA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

DEBT SERVICE FUNDS

	<u>City of Las Vegas</u>	<u>City of Las Vegas Redevelopment Agency</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,882,920	\$ 1,324,760	\$ 11,207,680
Investments		1,936,000	1,936,000
Receivables (net of allowances for uncollectibles):			
Property taxes	17,251	580,763	598,014
Accounts			
Interest	44,674	17,796	62,470
Loans			
Special assessments			
Intergovernmental		3,030	3,030
Due from other funds			
Land held for resale			
Deposits			
Permanently restricted:			
Cash and cash equivalents			
Investments			
<b>Total assets</b>	<u>\$ 9,944,845</u>	<u>\$ 3,862,349</u>	<u>\$ 13,807,194</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 20,640	\$ 5,379	\$ 26,019
Compensated absences payable			
Due to other funds		73,746	73,746
Deposits payable			
Contracts payable			
Loans payable			
Intergovernmental payable			
Deferred revenue	7,930	180,556	188,486
<b>Total liabilities</b>	<u>28,570</u>	<u>259,681</u>	<u>288,251</u>
<b>Fund balances:</b>			
<b>Reserved for:</b>			
Debt service	8,346,905	2,201,888	10,548,793
Noncurrent loans receivable			
Land held for resale			
Cemetery perpetual care			
Nonexpendable			
<b>Unreserved:</b>			
Designated for construction projects			
Designated for redevelopment projects			
Undesignated	1,569,370	1,400,780	2,970,150
<b>Total fund balances</b>	<u>9,916,275</u>	<u>3,602,668</u>	<u>13,518,943</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,944,845</u>	<u>\$ 3,862,349</u>	<u>\$ 13,807,194</u>

See accompanying independent auditors' report.

Continued

CITY OF LAS VEGAS, NEVADA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	CAPITAL			
	General	Fire Services	Public Works	Traffic Improvements
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,212,219	\$ 11,228,125	\$ 12,039,568	\$ 8,721,234
Investments				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Interest	46,314	57,018	63,210	45,298
Loans				
Special assessments				
Intergovernmental			1,183,387	425,825
Due from other funds				
Land held for resale				
Deposits				
Permanently restricted				
Cash and cash equivalents				
Investments				
<b>Total assets</b>	<b>\$ 9,258,533</b>	<b>\$ 11,285,143</b>	<b>\$ 13,286,165</b>	<b>\$ 9,192,357</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 110,990	\$ 809	\$ 1,365,927	\$ 563,053
Compensated absences payable				
Due to other funds				
Deposits payable				
Contracts payable	97,195		19,930	77,558
Loans payable				
Intergovernmental payable				
Deferred revenue				
<b>Total liabilities</b>	<b>208,185</b>	<b>809</b>	<b>1,385,857</b>	<b>640,611</b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Debt service				
Noncurrent loans receivable				
Land held for resale				
Cemetery perpetual care				
Nonexpendable				
<b>Unreserved:</b>				
Designated for construction projects	9,050,348	11,284,334	11,900,308	8,551,746
Designated for redevelopment projects				
Undesignated				
<b>Total fund balances</b>	<b>9,050,348</b>	<b>11,284,334</b>	<b>11,900,308</b>	<b>8,551,746</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,258,533</b>	<b>\$ 11,285,143</b>	<b>\$ 13,286,165</b>	<b>\$ 9,192,357</b>

See accompanying independent auditors' report.

PROJECTS FUNDS				PERMANENT FUND	
Detention and Enforcement	Extra-Ordinary Maintenance	City of Las Vegas Redevelopment Agency	Totals	Cemetery Operations	Total Nonmajor Governmental Funds
\$ 5,300,230	\$ 581,594	\$ 166,858	\$ 47,249,828		\$ 138,088,472
					2,653,090
					826,075
					360,195
27,005	2,952	646	242,443	8,898	705,996
					18,670,291
					15,152
			1,609,212		15,327,655
					198,724
					6,679,832
					23,580
				38,773	38,773
				1,434,108	1,434,108
<u>\$ 5,327,235</u>	<u>\$ 584,546</u>	<u>\$ 167,504</u>	<u>\$ 49,101,483</u>	<u>\$ 1,481,779</u>	<u>\$ 185,021,943</u>
\$ 612	\$	\$	\$ 2,041,391	\$	\$ 8,490,655
					1,064
					1,493,895
					1,016,637
			194,683		377,312
					811,534
					80,049
					307,752
<u>612</u>	<u>0</u>	<u>0</u>	<u>2,236,074</u>	<u>0</u>	<u>12,578,898</u>
					10,948,793
					347,687
				1,481,779	1,481,779
5,326,623	584,546	167,504	46,865,409		88,791,780
					9,939,448
					60,933,558
<u>5,326,623</u>	<u>584,546</u>	<u>167,504</u>	<u>46,865,409</u>	<u>1,481,779</u>	<u>172,443,045</u>
<u>\$ 5,327,235</u>	<u>\$ 584,546</u>	<u>\$ 167,504</u>	<u>\$ 49,101,483</u>	<u>\$ 1,481,779</u>	<u>\$ 185,021,943</u>

CITY OF LAS VEGAS, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	SPECIAL					
	Multipurpose	Las Vegas Convention and Visitors Authority	Fremont Street Room Tax	Special Improvement District Administration	Freeway and Arterial System of Transportation	Park Construction Program
Revenues:						
Taxes	\$	\$	\$ 1,653,585	\$	\$	\$ 4,034,185
Licenses and permits	981,813					
Intergovernmental	17,234,964	6,500,289			15,841	
Charges for services	8,357,724			35,386		
Special assessments				2,048,414		
Interest	384,199		70,626	234,170		376,327
Miscellaneous	1,913,510				1,200	343,852
Total revenues	28,872,210	6,500,289	1,724,211	2,317,970	17,041	4,754,364
Expenditures:						
Current:						
General government	11,935,118			1,228,000		
Judicial	840,769					
Public safety	1,623,532				15,841	
Public works						
Health	58,732					
Welfare	1,007,726					
Culture and recreation	5,407,508					
Economic development and assistance	589,989		261,454			
Debt service:						
Principal retirement						
Interest and fiscal charges						
Capital outlay:						
Public safety	337,215					
Public works						
Economic development and assistance						
Health	5,719					
Total expenditures	21,806,308	0	261,454	1,228,000	15,841	0
Excess (deficiency) of revenues over (under) expenditures	7,065,902	6,500,289	1,462,757	1,089,970	1,200	4,754,364
Other financing sources (uses):						
Transfers in	2,638,001			46,284		
Transfers out	(477,854)	(6,393,901)	(1,236,915)			(4,894,112)
Bond escrow refunding defease debt						
General obligation bonds issued						
Premium (discount)						
Special assessment bonds issued						
Total other financing sources (uses)	2,160,147	(6,393,901)	(1,236,915)	46,284	0	(4,894,112)
Net changes in fund balances	9,226,049	106,388	225,842	1,136,254	1,200	(139,748)
Fund balances, July 1	12,835,320	803,052	1,808,640	9,712,871	41,181	12,641,527
Fund balances, June 30	\$ 22,061,369	\$ 909,440	\$ 2,034,482	\$ 10,849,125	\$ 42,381	\$ 12,501,779

See accompanying independent auditors' report.

REVENUE FUNDS

Transportation Programs	Street Maintenance	Housing Program	Housing and Urban Development	Industrial Development	Fire Safety Initiative	City of Las Vegas Redevelopment Agency	Totals
\$	\$	\$	\$	\$	\$ 13,466,482	\$	\$ 19,154,252
							981,813
2,389,702	8,793,580	305,631	11,275,047			144,692	46,659,746
			260,703				8,653,813
							2,048,414
222,592	301,902	58,043		102,011	284,063	238,852	2,272,785
	43,121	146,662	863,947	76,111		1,947,432	5,335,835
<u>2,612,294</u>	<u>9,138,603</u>	<u>510,336</u>	<u>12,399,697</u>	<u>178,122</u>	<u>13,750,545</u>	<u>2,330,976</u>	<u>85,106,658</u>
							13,163,118
							840,769
							1,639,373
	5,631,047						5,631,047
							58,732
							1,007,726
							5,407,508
		594,919	8,272,665	1,261,954		1,528,211	12,509,192
							337,215
				11,828		1,241,761	1,253,589
							5,719
<u>0</u>	<u>5,631,047</u>	<u>594,919</u>	<u>8,272,665</u>	<u>1,273,782</u>	<u>0</u>	<u>2,769,972</u>	<u>41,853,988</u>
<u>2,612,294</u>	<u>3,507,556</u>	<u>(84,583)</u>	<u>4,127,032</u>	<u>(1,095,660)</u>	<u>13,750,545</u>	<u>(438,996)</u>	<u>43,252,670</u>
	3,000,000	2,147,130				4,400,000	12,231,415
(931,558)		(796,000)	(3,973,393)	(3,100,000)	(14,377,422)	(1,400,000)	(37,581,155)
<u>(931,558)</u>	<u>3,000,000</u>	<u>1,351,130</u>	<u>(3,973,393)</u>	<u>(3,100,000)</u>	<u>(14,377,422)</u>	<u>3,000,000</u>	<u>(25,349,740)</u>
1,680,736	6,507,556	1,266,547	153,639	(4,195,660)	(626,877)	2,561,004	17,902,930
<u>7,642,505</u>	<u>6,008,257</u>	<u>3,883,667</u>	<u>3,452,172</u>	<u>17,420,109</u>	<u>5,385,286</u>	<u>11,039,397</u>	<u>92,673,984</u>
<u>\$ 9,323,241</u>	<u>\$ 12,515,813</u>	<u>\$ 5,150,214</u>	<u>\$ 3,605,811</u>	<u>\$ 13,224,449</u>	<u>\$ 4,758,409</u>	<u>\$ 13,600,401</u>	<u>\$ 110,576,914</u>

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CITY OF LAS VEGAS, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	DEBT SERVICE FUNDS		
	City of Las Vegas	City of Las Vegas Redevelopment Agency	Totals
Revenues:			
Taxes	\$ 834,038	\$ 11,483,850	\$ 12,317,888
Licenses and permits			
Intergovernmental			
Charges for services			
Special assessments			
Interest	250,029	217,051	467,080
Miscellaneous			
Total revenues	1,084,067	11,700,901	12,784,968
Expenditures:			
Current:			
General government			
Judicial			
Public safety			
Public works			
Health			
Welfare			
Culture and recreation			
Economic development and assistance			
Debt service:			
Principal retirement	21,899,718	3,335,000	25,234,718
Interest and fiscal charges	7,922,331	1,817,881	9,740,212
Capital outlay:			
Public safety			
Public works			
Economic development and assistance			
Health			
Total expenditures	29,822,049	5,152,881	34,974,930
Excess (deficiency) of revenues over (under) expenditures	(28,737,982)	6,548,020	(22,189,962)
Other financing sources (uses):			
Transfers in	27,984,995	271,225	28,256,220
Transfers out		(6,311,493)	(6,311,493)
Bond escrow refunding defease debt	(44,504,899)		(44,504,899)
General obligation bonds issued	43,040,000		43,040,000
Premium (discount)	1,864,809		1,864,809
Special assessment bonds issued	779,528		779,528
Total other financing sources (uses)	29,164,433	(6,040,268)	23,124,165
Net changes in fund balances	426,451	507,752	934,203
Fund balances, July 1	9,489,824	3,094,916	12,584,740
Fund balances, June 30	\$ 9,916,275	\$ 3,602,668	\$ 13,518,943

See accompanying independent auditors' report.

Continued

CITY OF LAS VEGAS, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	CAPITAL			
	General	Fire Services	Public Works	Traffic Improvements
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				1,303,737
Intergovernmental		(48)	4,168,525	2,676,448
Charges for services			1,199	
Special assessments				
Interest	49,387	319,870	271,595	189,271
Miscellaneous	15		46,610	720
Total revenues	49,402	319,822	4,487,929	4,170,176
Expenditures:				
Current:				
General government				
Judicial				
Public safety				501,857
Public works				
Health				
Welfare				
Culture and recreation				
Economic development and assistance				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Capital outlay:				
Public safety		1,507,508		4,679,731
Public works			5,258,348	
Economic development and assistance	1,987,677			
Health				
Total expenditures	1,987,677	1,507,508	5,258,348	5,181,588
Excess (deficiency) of revenues over (under) expenditures	(1,938,275)	(1,187,686)	(770,419)	(1,011,412)
Other financing sources (uses):				
Transfers in	9,987,677		1,123,993	2,061,367
Transfers out			(3,000,000)	
Bond escrow refunding defease debt				
General obligation bonds issued				
Premium (discount)				
Special assessment bonds issued				
Total other financing sources (uses)	9,987,677	0	(1,876,007)	2,061,367
Net changes in fund balances	8,049,402	(1,187,686)	(2,646,426)	1,049,955
Fund balances, July 1	1,000,946	12,472,020	14,546,734	7,501,791
Fund balances, June 30	\$ 9,050,348	\$ 11,284,334	\$ 11,900,308	\$ 8,551,746

See accompanying independent auditors' report.

PROJECTS FUNDS				PERMANENT FUND	
Detention and Enforcement	Extra-Ordinary Maintenance	City of Las Vegas Redevelopment Agency	Totals	Cemetery Operations	Total Nonmajor Governmental Funds
\$	\$	\$	\$	\$	\$
			1,303,737		31,472,140
53,012			6,897,937		2,285,550
			1,199	53,052	53,557,683
					8,708,064
72,682	14,901	6,390	924,096	94,498	2,048,414
6,802			54,147		3,758,459
<u>132,496</u>	<u>14,901</u>	<u>6,390</u>	<u>9,181,116</u>	<u>147,550</u>	<u>5,389,982</u>
					13,163,118
					840,769
			501,857		2,141,230
					5,631,047
				40,610	99,342
					1,007,726
					5,407,508
					12,509,192
					25,234,718
					9,740,212
2,032,938			8,220,177		8,557,392
			5,258,348		5,258,348
			1,987,677		3,241,266
					5,719
<u>2,032,938</u>	<u>0</u>	<u>0</u>	<u>15,968,059</u>	<u>40,610</u>	<u>92,837,587</u>
<u>(1,900,442)</u>	<u>14,901</u>	<u>6,390</u>	<u>(6,786,943)</u>	<u>106,940</u>	<u>14,382,705</u>
3,150,000			16,323,037		56,810,672
			(3,000,000)		(46,892,648)
					(44,504,899)
					43,040,000
					1,864,809
					779,528
<u>3,150,000</u>	<u>0</u>	<u>0</u>	<u>13,323,037</u>	<u>0</u>	<u>11,097,462</u>
1,249,558	14,901	6,390	6,536,094	106,940	25,480,167
<u>4,077,065</u>	<u>569,645</u>	<u>161,114</u>	<u>40,329,315</u>	<u>1,374,839</u>	<u>146,962,878</u>
\$ <u>5,326,623</u>	\$ <u>584,546</u>	\$ <u>167,504</u>	\$ <u>46,865,409</u>	\$ <u>1,481,779</u>	\$ <u>172,443,045</u>

CITY OF LAS VEGAS, NEVADA  
MULTIPURPOSE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Licenses and permits	\$ 1,370,000	\$ 1,370,000	\$ 981,813	\$ (388,187)
Intergovernmental	17,822,778	17,822,778	17,234,964	(587,814)
Charges for services	6,970,465	6,970,465	8,357,724	1,387,259
Interest	281,746	281,746	384,199	102,453
Miscellaneous	1,337,200	1,337,200	1,913,510	576,310
<b>Total revenues</b>	<u>27,782,189</u>	<u>27,782,189</u>	<u>28,872,210</u>	<u>1,090,021</u>
<b>Expenditures:</b>				
Current:				
General government	12,849,161	12,849,161	11,935,118	914,043
Judicial	3,234,644	3,234,644	840,769	2,393,875
Public safety	5,244,055	5,244,055	1,623,532	3,620,523
Sanitation	25,000	25,000		25,000
Health	40,000	65,000	58,732	6,268
Welfare	1,154,970	1,154,970	1,007,726	147,244
Culture and recreation	6,690,295	6,690,295	5,407,508	1,282,787
Economic development and assistance	169,074	549,074	589,989	(40,915)
Capital outlay:				
Judicial	10,000	10,000		10,000
Public safety	110,000	110,000	337,215	(227,215)
Health			5,719	(5,719)
<b>Total expenditures</b>	<u>29,527,199</u>	<u>29,932,199</u>	<u>21,806,308</u>	<u>8,125,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,745,010)</u>	<u>(2,150,010)</u>	<u>7,065,902</u>	<u>9,215,912</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,562,765	1,562,765	2,638,001	1,075,236
Transfers out	(5,000,000)	(4,595,000)	(477,854)	4,117,146
<b>Total other financing sources (uses)</b>	<u>(3,437,235)</u>	<u>(3,032,235)</u>	<u>2,160,147</u>	<u>5,192,382</u>
Net changes in fund balances	(5,182,245)	(5,182,245)	9,226,049	14,408,294
Fund balances, July 1	<u>12,383,001</u>	<u>12,383,001</u>	<u>12,835,320</u>	<u>452,319</u>
Fund balances, June 30	<u>\$ 7,200,756</u>	<u>\$ 7,200,756</u>	<u>\$ 22,061,369</u>	<u>\$ 14,860,613</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
LAS VEGAS CONVENTION AND VISITORS AUTHORITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,973,901	\$ 5,973,901	\$ 6,500,289	\$ 526,388
Interest	<u>20,000</u>	<u>20,000</u>		<u>(20,000)</u>
Total revenues	<u>5,993,901</u>	<u>5,993,901</u>	<u>6,500,289</u>	<u>506,388</u>
Expenditures:				
Current:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,993,901</u>	<u>5,993,901</u>	<u>6,500,289</u>	<u>506,388</u>
Other financing sources (uses):				
Transfers out	<u>(5,993,901)</u>	<u>(6,393,901)</u>	<u>(6,393,901)</u>	
Total other financing sources (uses)	<u>(5,993,901)</u>	<u>(6,393,901)</u>	<u>(6,393,901)</u>	<u>0</u>
Net changes in fund balances		(400,000)	106,388	506,388
Fund balances, July 1	<u>3,092</u>	<u>403,092</u>	<u>803,052</u>	<u>399,960</u>
Fund balances, June 30	<u>\$ 3,092</u>	<u>\$ 3,092</u>	<u>\$ 909,440</u>	<u>\$ 906,348</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 FREMONT STREET ROOM TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,320,617	\$ 1,320,617	\$ 1,653,585	\$ 332,968
Interest	<u>33,337</u>	<u>33,337</u>	<u>70,626</u>	<u>37,289</u>
Total revenues	<u>1,353,954</u>	<u>1,353,954</u>	<u>1,724,211</u>	<u>370,257</u>
Expenditures:				
Current:				
Economic development and assistance	<u>360,000</u>	<u>360,000</u>	<u>261,454</u>	<u>98,546</u>
Total expenditures	<u>360,000</u>	<u>360,000</u>	<u>261,454</u>	<u>98,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>993,954</u>	<u>993,954</u>	<u>1,462,757</u>	<u>468,803</u>
Other financing sources (uses):				
Transfers out	<u>(1,236,915)</u>	<u>(1,236,915)</u>	<u>(1,236,915)</u>	
Total other financing sources (uses)	<u>(1,236,915)</u>	<u>(1,236,915)</u>	<u>(1,236,915)</u>	<u>0</u>
Net changes in fund balances	(242,961)	(242,961)	225,842	468,803
Fund balances, July 1	<u>1,649,081</u>	<u>1,649,081</u>	<u>1,808,640</u>	<u>159,559</u>
Fund balances, June 30	<u>\$ 1,406,120</u>	<u>\$ 1,406,120</u>	<u>\$ 2,034,482</u>	<u>\$ 628,362</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
SPECIAL IMPROVEMENT DISTRICT ADMINISTRATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 50,464	\$ 50,464	\$ 35,386	\$ (15,078)
Special assessments	1,400,000	1,400,000	2,048,414	648,414
Interest	<u>246,687</u>	<u>246,687</u>	<u>234,170</u>	<u>(12,517)</u>
Total revenues	<u>1,697,151</u>	<u>1,697,151</u>	<u>2,317,970</u>	<u>620,819</u>
Expenditures:				
Current:				
General government	2,161,788	2,161,788	1,228,000	933,788
Total expenditures	<u>2,161,788</u>	<u>2,161,788</u>	<u>1,228,000</u>	<u>933,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(464,637)</u>	<u>(464,637)</u>	<u>1,089,970</u>	<u>1,554,607</u>
Other financing sources (uses):				
Transfers in	54,240	54,240	46,284	(7,956)
Transfers out	<u>(208,500)</u>	<u>(208,500)</u>	<u>46,284</u>	<u>208,500</u>
Total other financing sources (uses)	<u>(154,260)</u>	<u>(154,260)</u>	<u>46,284</u>	<u>200,544</u>
Net changes in fund balances	(618,897)	(618,897)	1,136,254	1,755,151
Fund balances, July 1	<u>9,100,426</u>	<u>9,100,426</u>	<u>9,712,871</u>	<u>612,445</u>
Fund balances, June 30	<u>\$ 8,481,529</u>	<u>\$ 8,481,529</u>	<u>\$ 10,849,125</u>	<u>\$ 2,367,596</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 FREEWAY AND ARTERIAL SYSTEM OF TRANSPORTATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 15,841	\$ (24,159)
Miscellaneous			1,200	1,200
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>17,041</u>	<u>(22,959)</u>
Expenditures:				
Current:				
Public safety	75,000	75,000	15,841	59,159
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>15,841</u>	<u>59,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,000)</u>	<u>(35,000)</u>	<u>1,200</u>	<u>36,200</u>
Net changes in fund balances	(35,000)	(35,000)	1,200	36,200
Fund balances, July 1	<u>35,000</u>	<u>35,000</u>	<u>41,181</u>	<u>6,181</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 42,381</u>	<u>\$ 42,381</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 PARK CONSTRUCTION PROGRAM SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,755,000	\$ 1,755,000	\$ 4,034,185	\$ 2,279,185
Interest	398,000	398,000	376,327	(21,673)
Miscellaneous			343,852	343,852
Total revenues	<u>2,153,000</u>	<u>2,153,000</u>	<u>4,754,364</u>	<u>2,601,364</u>
Expenditures:				
Current:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,153,000</u>	<u>2,153,000</u>	<u>4,754,364</u>	<u>2,601,364</u>
Other financing sources (uses):				
Transfers out	<u>(10,018,028)</u>	<u>(10,018,028)</u>	<u>(4,894,112)</u>	<u>5,123,916</u>
Total other financing sources (uses)	<u>(10,018,028)</u>	<u>(10,018,028)</u>	<u>(4,894,112)</u>	<u>5,123,916</u>
Net changes in fund balances	(7,865,028)	(7,865,028)	(139,748)	7,725,280
Fund balances, July 1	<u>10,932,365</u>	<u>10,932,365</u>	<u>12,641,527</u>	<u>1,709,162</u>
Fund balances, June 30	<u>\$ 3,067,337</u>	<u>\$ 3,067,337</u>	<u>\$ 12,501,779</u>	<u>\$ 9,434,442</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
TRANSPORTATION PROGRAMS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 2,241,047	\$ 2,241,047	\$ 2,389,702	\$ 148,655
Interest	<u>213,671</u>	<u>213,671</u>	<u>222,592</u>	<u>8,921</u>
Total revenues	<u>2,454,718</u>	<u>2,454,718</u>	<u>2,612,294</u>	<u>157,576</u>
Expenditures:				
Current:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,454,718</u>	<u>2,454,718</u>	<u>2,612,294</u>	<u>157,576</u>
Other financing sources (uses):				
Transfers out	<u>(931,558)</u>	<u>(931,558)</u>	<u>(931,558)</u>	
Total other financing sources (uses)	<u>(931,558)</u>	<u>(931,558)</u>	<u>(931,558)</u>	<u>0</u>
Net changes in fund balances	1,523,160	1,523,160	1,680,736	157,576
Fund balances, July 1	<u>7,532,293</u>	<u>7,532,293</u>	<u>7,642,505</u>	<u>110,212</u>
Fund balances, June 30	<u>\$ 9,055,453</u>	<u>\$ 9,055,453</u>	<u>\$ 9,323,241</u>	<u>\$ 267,788</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
STREET MAINTENANCE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 8,414,898	\$ 8,414,898	\$ 8,793,580	\$ 378,682
Interest	64,000	64,000	301,902	237,902
Miscellaneous			43,121	43,121
Total revenues	<u>8,478,898</u>	<u>8,478,898</u>	<u>9,138,603</u>	<u>659,705</u>
Expenditures:				
Current:				
Public works	8,697,000	8,697,000	5,631,047	3,065,953
Total expenditures	<u>8,697,000</u>	<u>8,697,000</u>	<u>5,631,047</u>	<u>3,065,953</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(218,102)</u>	<u>(218,102)</u>	<u>3,507,556</u>	<u>3,725,658</u>
Other financing sources (uses):				
Transfers in			3,000,000	3,000,000
Transfers out				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
Net changes in fund balances	(218,102)	(218,102)	6,507,556	6,725,658
Fund balances, July 1	<u>3,654,215</u>	<u>3,654,215</u>	<u>6,008,257</u>	<u>2,354,042</u>
Fund balances, June 30	<u>\$ 3,436,113</u>	<u>\$ 3,436,113</u>	<u>\$ 12,515,813</u>	<u>\$ 9,079,700</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
HOUSING PROGRAM SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 6,270,252	\$ 6,270,252	\$ 305,631	\$ (5,964,621)
Interest	22,000	22,000	58,043	36,043
Miscellaneous			146,662	146,662
Total revenues	<u>6,292,252</u>	<u>6,292,252</u>	<u>510,336</u>	<u>(5,781,916)</u>
Expenditures:				
Current:				
Economic development and assistance	6,641,749	6,370,523	594,919	5,775,604
Total expenditures	<u>6,641,749</u>	<u>6,370,523</u>	<u>594,919</u>	<u>5,775,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(349,497)</u>	<u>(78,271)</u>	<u>(84,583)</u>	<u>(6,312)</u>
Other financing sources (uses):				
Transfers in	80,037	80,037	2,147,130	2,067,093
Transfers out	(524,774)	(796,000)	(796,000)	
Total other financing sources (uses)	<u>(444,737)</u>	<u>(715,963)</u>	<u>1,351,130</u>	<u>2,067,093</u>
Net changes in fund balances	(794,234)	(794,234)	1,266,547	2,060,781
Fund balances, July 1	<u>3,762,684</u>	<u>3,762,684</u>	<u>3,883,667</u>	<u>120,983</u>
Fund balances, June 30	<u>\$ 2,968,450</u>	<u>\$ 2,968,450</u>	<u>\$ 5,150,214</u>	<u>\$ 2,181,764</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
HOUSING AND URBAN DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 21,973,351	\$ 21,973,351	\$ 11,275,047	\$ (10,698,304)
Charges for services	295,000	295,000	260,703	(34,297)
Miscellaneous	519,000	519,000	863,947	344,947
Total revenues	<u>22,787,351</u>	<u>22,787,351</u>	<u>12,399,697</u>	<u>(10,387,654)</u>
Expenditures:				
Current:				
Economic development and assistance	18,840,444	18,440,444	8,272,665	10,167,779
Total expenditures	<u>18,840,444</u>	<u>18,440,444</u>	<u>8,272,665</u>	<u>10,167,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,946,907</u>	<u>4,346,907</u>	<u>4,127,032</u>	<u>(219,875)</u>
Other financing sources (uses):				
Transfers out	(3,691,973)	(4,091,973)	(3,973,393)	118,580
Total other financing sources (uses)	<u>(3,691,973)</u>	<u>(4,091,973)</u>	<u>(3,973,393)</u>	<u>118,580</u>
Net changes in fund balances	254,934	254,934	153,639	(101,295)
Fund balances, July 1	<u>4,177,403</u>	<u>4,177,403</u>	<u>3,452,172</u>	<u>(725,231)</u>
Fund balances, June 30	<u>\$ 4,432,337</u>	<u>\$ 4,432,337</u>	<u>\$ 3,605,811</u>	<u>\$ (826,526)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
INDUSTRIAL DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 245,305	\$ 245,305	\$ 102,011	\$ (143,294)
Miscellaneous			76,111	76,111
Total revenues	<u>245,305</u>	<u>245,305</u>	<u>178,122</u>	<u>(67,183)</u>
Expenditures:				
Current:				
Economic development and assistance	1,452,687	1,452,687	1,261,954	190,733
Capital outlay:				
Economic development and assistance	10,500,000	7,400,000	11,828	7,388,172
Total expenditures	<u>11,952,687</u>	<u>8,852,687</u>	<u>1,273,782</u>	<u>7,578,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,707,382)</u>	<u>(8,607,382)</u>	<u>(1,095,660)</u>	<u>7,511,722</u>
Other financing sources (uses):				
Transfers out		(3,100,000)	(3,100,000)	
Total other financing sources (uses)	<u>0</u>	<u>(3,100,000)</u>	<u>(3,100,000)</u>	<u>0</u>
Net changes in fund balances	(11,707,382)	(11,707,382)	(4,195,660)	7,511,722
Fund balances, July 1	<u>17,374,708</u>	<u>17,374,708</u>	<u>17,420,109</u>	<u>45,401</u>
Fund balances, June 30	<u>\$ 5,667,326</u>	<u>\$ 5,667,326</u>	<u>\$ 13,224,449</u>	<u>\$ 7,557,123</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 FIRE SAFETY INITIATIVE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 13,156,763	\$ 13,156,763	\$ 13,466,482	\$ 309,719
Interest	<u>288,354</u>	<u>288,354</u>	<u>284,063</u>	<u>(4,291)</u>
Total revenues	<u>13,445,117</u>	<u>13,445,117</u>	<u>13,750,545</u>	<u>305,428</u>
Expenditures:				
Current:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,445,117</u>	<u>13,445,117</u>	<u>13,750,545</u>	<u>305,428</u>
Other financing sources (uses):				
Transfers out	<u>(14,396,422)</u>	<u>(14,396,422)</u>	<u>(14,377,422)</u>	<u>19,000</u>
Total other financing sources (uses)	<u>(14,396,422)</u>	<u>(14,396,422)</u>	<u>(14,377,422)</u>	<u>19,000</u>
Net changes in fund balances	(951,305)	(951,305)	(626,877)	324,428
Fund balances, July 1	<u>6,034,177</u>	<u>6,034,177</u>	<u>5,385,286</u>	<u>(648,891)</u>
Fund balances, June 30	<u>\$ 5,082,872</u>	<u>\$ 5,082,872</u>	<u>\$ 4,758,409</u>	<u>\$ (324,463)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CITY OF LAS VEGAS REDEVELOPMENT AGENCY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 144,692	\$ 69,692
Interest	57,016	57,016	238,852	181,836
Miscellaneous	<u>22,200</u>	<u>22,200</u>	<u>1,947,432</u>	<u>1,925,232</u>
Total revenues	<u>154,216</u>	<u>154,216</u>	<u>2,330,976</u>	<u>2,176,760</u>
Expenditures:				
Current:				
General government	400,000	350,000		350,000
Economic development and assistance	2,330,255	2,380,255	1,528,211	852,044
Capital outlay:				
Economic development and assistance	<u>3,750,000</u>	<u>3,750,000</u>	<u>1,241,761</u>	<u>2,508,239</u>
Total expenditures	<u>6,480,255</u>	<u>6,480,255</u>	<u>2,769,972</u>	<u>3,710,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,326,039)</u>	<u>(6,326,039)</u>	<u>(438,996)</u>	<u>5,887,043</u>
Other financing sources (uses):				
Transfers in	4,400,000	4,400,000	4,400,000	
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	
General obligation bonds issued	<u>25,000,000</u>	<u>25,000,000</u>	<u>3,000,000</u>	<u>(25,000,000)</u>
Total other financing sources (uses)	<u>28,000,000</u>	<u>28,000,000</u>	<u>3,000,000</u>	<u>(25,000,000)</u>
Net changes in fund balances	21,673,961	21,673,961	2,561,004	(19,112,957)
Fund balances, July 1	<u>6,040,863</u>	<u>6,040,863</u>	<u>11,039,397</u>	<u>4,998,534</u>
Fund balances, June 30	<u>\$ 27,714,824</u>	<u>\$ 27,714,824</u>	<u>\$ 13,600,401</u>	<u>\$ (14,114,423)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CITY OF LAS VEGAS DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 972,176	\$ 972,176	\$ 834,038	\$ (138,138)
Interest	<u>216,921</u>	<u>216,921</u>	<u>250,029</u>	<u>33,108</u>
Total revenues	<u>1,189,097</u>	<u>1,189,097</u>	<u>1,084,067</u>	<u>(105,030)</u>
Expenditures:				
Debt service:				
Principal retirement	22,009,880	22,009,880	21,899,718	110,162
Interest and fiscal charges	<u>7,936,899</u>	<u>7,936,899</u>	<u>7,922,331</u>	<u>14,568</u>
Total expenditures	<u>29,946,779</u>	<u>29,946,779</u>	<u>29,822,049</u>	<u>124,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,757,682)</u>	<u>(28,757,682)</u>	<u>(28,737,982)</u>	<u>19,700</u>
Other financing sources (uses):				
Transfers in	26,184,147	26,184,147	27,984,995	1,800,848
Bond escrow refunding defease debt			(44,504,899)	(44,504,899)
General obligation bonds issued	1,760,000	1,760,000	43,040,000	41,280,000
Premium (discount)			1,864,809	1,864,809
Special assessment bonds issued			<u>779,528</u>	<u>779,528</u>
Total other financing sources (uses)	<u>27,944,147</u>	<u>27,944,147</u>	<u>28,384,905</u>	<u>440,758</u>
Net changes in fund balances	(813,535)	(813,535)	(353,077)	460,458
Fund balances, July 1	<u>9,455,419</u>	<u>9,455,419</u>	<u>9,489,824</u>	<u>34,405</u>
Fund balances, June 30	<u>\$ 8,641,884</u>	<u>\$ 8,641,884</u>	<u>\$ 9,136,747</u>	<u>\$ 494,863</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CITY OF LAS VEGAS REDEVELOPMENT AGENCY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 11,800,000	\$ 11,800,000	\$ 11,483,850	\$ (316,150)
Interest	203,148	203,148	217,051	13,903
Total revenues	<u>12,003,148</u>	<u>12,003,148</u>	<u>11,700,901</u>	<u>(302,247)</u>
Expenditures:				
Debt service:				
Principal retirement	3,335,000	3,335,000	3,335,000	
Interest and fiscal charges	3,571,865	3,571,865	1,817,881	1,753,984
Total expenditures	<u>6,906,865</u>	<u>6,906,865</u>	<u>5,152,881</u>	<u>1,753,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,096,283</u>	<u>5,096,283</u>	<u>6,548,020</u>	<u>1,451,737</u>
Other financing sources (uses):				
Transfers in	271,225	271,225	271,225	
Transfers out	(6,368,400)	(6,368,400)	(6,311,493)	56,907
Total other financing sources (uses)	<u>(6,097,175)</u>	<u>(6,097,175)</u>	<u>(6,040,268)</u>	<u>56,907</u>
Net changes in fund balances	(1,000,892)	(1,000,892)	507,752	1,508,644
Fund balances, July 1	<u>3,218,979</u>	<u>3,218,979</u>	<u>3,094,916</u>	<u>(124,063)</u>
Fund balances, June 30	<u>\$ 2,218,087</u>	<u>\$ 2,218,087</u>	<u>\$ 3,602,668</u>	<u>\$ 1,384,581</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
GENERAL CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 15,447	\$ 15,447	\$ 49,387	\$ 33,940
Miscellaneous			15	15
Total revenues	<u>15,447</u>	<u>15,447</u>	<u>49,402</u>	<u>33,955</u>
Expenditures:				
Current:				
Economic development and assistance	500,000	500,000		500,000
Capital outlay:				
Economic development and assistance	2,246,203	2,246,203	1,987,677	258,526
Total expenditures	<u>2,746,203</u>	<u>2,746,203</u>	<u>1,987,677</u>	<u>758,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,730,756)</u>	<u>(2,730,756)</u>	<u>(1,938,275)</u>	<u>792,481</u>
Other financing sources (uses):				
Transfers in	2,246,203	2,246,203	9,987,677	7,741,474
Total other financing sources (uses)	<u>2,246,203</u>	<u>2,246,203</u>	<u>9,987,677</u>	<u>7,741,474</u>
Net changes in fund balances	(484,553)	(484,553)	8,049,402	8,533,955
Fund balances, July 1	<u>1,005,468</u>	<u>1,005,468</u>	<u>1,000,946</u>	<u>(4,522)</u>
Fund balances, June 30	<u>\$ 520,915</u>	<u>\$ 520,915</u>	<u>\$ 9,050,348</u>	<u>\$ 8,529,433</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 FIRE SERVICES CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 688,704	\$ 688,704	\$ (48)	\$ (688,752)
Interest	<u>299,000</u>	<u>299,000</u>	<u>319,870</u>	<u>20,870</u>
Total revenues	<u>987,704</u>	<u>987,704</u>	<u>319,822</u>	<u>(667,882)</u>
Expenditures:				
Capital outlay:				
Public safety	<u>8,493,346</u>	<u>8,493,346</u>	<u>1,507,508</u>	<u>6,985,838</u>
Total expenditures	<u>8,493,346</u>	<u>8,493,346</u>	<u>1,507,508</u>	<u>6,985,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,505,642)</u>	<u>(7,505,642)</u>	<u>(1,187,686)</u>	<u>6,317,956</u>
Net changes in fund balances	(7,505,642)	(7,505,642)	(1,187,686)	6,317,956
Fund balances, July 1	<u>10,085,475</u>	<u>10,085,475</u>	<u>12,472,020</u>	<u>2,386,545</u>
Fund balances, June 30	<u>\$ 2,579,833</u>	<u>\$ 2,579,833</u>	<u>\$ 11,284,334</u>	<u>\$ 8,704,501</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
PUBLIC WORKS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 8,330,000	\$ 8,330,000	\$ 4,168,525	\$ (4,161,475)
Charges for services			1,199	1,199
Interest	568,000	568,000	271,595	(296,405)
Miscellaneous	100,000	100,000	46,610	(53,390)
Total revenues	<u>8,998,000</u>	<u>8,998,000</u>	<u>4,487,929</u>	<u>(4,510,071)</u>
Expenditures:				
Capital outlay:				
Public works	13,722,845	10,722,845	5,258,348	5,464,497
Total expenditures	<u>13,722,845</u>	<u>10,722,845</u>	<u>5,258,348</u>	<u>5,464,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,724,845)</u>	<u>(1,724,845)</u>	<u>(770,419)</u>	<u>954,426</u>
Other financing sources (uses):				
Transfers in			1,123,993	1,123,993
Transfers out		(3,000,000)	(3,000,000)	
Total other financing sources (uses)	<u>0</u>	<u>(3,000,000)</u>	<u>(1,876,007)</u>	<u>1,123,993</u>
Net changes in fund balances	(4,724,845)	(4,724,845)	(2,646,426)	2,078,419
Fund balances, July 1	<u>13,122,408</u>	<u>13,122,408</u>	<u>14,546,734</u>	<u>1,424,326</u>
Fund balances, June 30	<u>\$ 8,397,563</u>	<u>\$ 8,397,563</u>	<u>\$ 11,900,308</u>	<u>\$ 3,502,745</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 TRAFFIC IMPROVEMENTS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Licenses and permits	\$ 1,600,000	\$ 1,600,000	\$ 1,303,737	\$ (296,263)
Intergovernmental	5,236,062	5,236,062	2,676,448	(2,559,614)
Interest	193,546	193,546	189,271	(4,275)
Miscellaneous			720	720
Total revenues	<u>7,029,608</u>	<u>7,029,608</u>	<u>4,170,176</u>	<u>(2,859,432)</u>
Expenditures:				
Current:				
Public safety	763,000	763,000	501,857	261,143
Capital outlay:				
Public safety	9,821,383	9,821,383	4,679,731	5,141,652
Total expenditures	<u>10,584,383</u>	<u>10,584,383</u>	<u>5,181,588</u>	<u>5,402,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,554,775)</u>	<u>(3,554,775)</u>	<u>(1,011,412)</u>	<u>2,543,363</u>
Other financing sources (uses):				
Transfers in			2,061,367	2,061,367
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>2,061,367</u>	<u>2,061,367</u>
Net changes in fund balances	(3,554,775)	(3,554,775)	1,049,955	4,604,730
Fund balances, July 1	<u>5,794,263</u>	<u>5,794,263</u>	<u>7,501,791</u>	<u>1,707,528</u>
Fund balances, June 30	<u>\$ 2,239,488</u>	<u>\$ 2,239,488</u>	<u>\$ 8,551,746</u>	<u>\$ 6,312,258</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
DETENTION AND ENFORCEMENT CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 54,340	\$ 54,340	\$ 53,012	\$ (1,328)
Interest	115,000	115,000	72,682	(42,318)
Miscellaneous	<u>6,802</u>	<u>6,802</u>	<u>6,802</u>	<u>6,802</u>
Total revenues	<u>169,340</u>	<u>169,340</u>	<u>132,496</u>	<u>(36,844)</u>
Expenditures:				
Capital outlay:				
Public safety	3,237,487	3,237,487	2,032,938	1,204,549
Total expenditures	<u>3,237,487</u>	<u>3,237,487</u>	<u>2,032,938</u>	<u>1,204,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,068,147)</u>	<u>(3,068,147)</u>	<u>(1,900,442)</u>	<u>1,167,705</u>
Other financing sources (uses):				
Transfers in	<u>0</u>	<u>0</u>	<u>3,150,000</u>	<u>3,150,000</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>3,150,000</u>	<u>3,150,000</u>
Net changes in fund balances	(3,068,147)	(3,068,147)	1,249,558	4,317,705
Fund balances, July 1	<u>3,379,776</u>	<u>3,379,776</u>	<u>4,077,065</u>	<u>697,289</u>
Fund balances, June 30	<u>\$ 311,629</u>	<u>\$ 311,629</u>	<u>\$ 5,326,623</u>	<u>\$ 5,014,994</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
EXTRAORDINARY MAINTENANCE CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 17,474	\$ 17,474	\$ 14,901	\$ (2,573)
Total revenues	<u>17,474</u>	<u>17,474</u>	<u>14,901</u>	<u>(2,573)</u>
Expenditures:				
Capital outlay:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	17,474	17,474	14,901	(2,573)
Fund balances, July 1	<u>569,712</u>	<u>569,712</u>	<u>569,645</u>	<u>(67)</u>
Fund balances, June 30	<u>\$ 587,186</u>	<u>\$ 587,186</u>	<u>\$ 584,546</u>	<u>\$ (2,640)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CITY OF LAS VEGAS REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 5,591	\$ 5,591	\$ 6,390	\$ 799
Total revenues	<u>5,591</u>	<u>5,591</u>	<u>6,390</u>	<u>799</u>
Expenditures:				
Capital outlay:				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	5,591	5,591	6,390	799
Fund balances, July 1	<u>160,900</u>	<u>160,900</u>	<u>161,114</u>	<u>214</u>
Fund balances, June 30	<u>\$ 166,491</u>	<u>\$ 166,491</u>	<u>\$ 167,504</u>	<u>\$ 1,013</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CEMETERY OPERATIONS PERMANENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 55,000	\$ 55,000	\$ 53,052	\$ (1,948)
Interest	<u>50,000</u>	<u>50,000</u>	<u>94,498</u>	<u>44,498</u>
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>147,550</u>	<u>42,550</u>
Expenditures:				
Current:				
Health	<u>50,000</u>	<u>50,000</u>	<u>40,610</u>	<u>9,390</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>40,610</u>	<u>9,390</u>
Net changes in fund balances	55,000	55,000	106,940	51,940
Fund balances, July 1	<u>1,374,053</u>	<u>1,374,053</u>	<u>1,374,839</u>	<u>786</u>
Fund balances, June 30	<u>\$ 1,429,053</u>	<u>\$ 1,429,053</u>	<u>\$ 1,481,779</u>	<u>\$ 52,726</u>

See accompanying independent auditors' report.

# Major Proprietary Funds



## Major Proprietary Funds

### ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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### SANITATION FUND

This fund is used to account for the operation of the City's water pollution control facilities and the construction and maintenance of sanitary sewer lines for the residents of Las Vegas and North Las Vegas.

### NONPROFIT CORPORATIONS

The purpose of the corporations is to promote the health and welfare of the City of Las Vegas and its citizens through the acquisition and disposition of property located therein, exclusively for public purposes.

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CITY OF LAS VEGAS, NEVADA  
SANITATION ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services:				
Sewer charges to citizens	\$ 63,200,000	\$ 63,200,000	\$ 67,798,617	\$ 4,598,617
Sewer charges - North				
Las Vegas	8,400,000	8,400,000	9,992,217	1,592,217
Other	855,000	855,000	1,957,731	1,102,731
Miscellaneous	34,000	34,000	39,353	5,353
Total operating revenues	<u>72,489,000</u>	<u>72,489,000</u>	<u>79,787,918</u>	<u>7,298,918</u>
Operating expenses:				
Salaries and employee benefits	22,015,153	22,015,153	20,429,136	1,586,017
Services and supplies	24,792,251	24,780,251	24,369,007	411,244
Depreciation	18,236,067	18,236,067	18,580,611	(344,544)
Total operating expenses	<u>65,043,471</u>	<u>65,031,471</u>	<u>63,378,754</u>	<u>1,652,717</u>
Operating income (loss)	<u>7,445,529</u>	<u>7,457,529</u>	<u>16,409,164</u>	<u>8,951,635</u>
Nonoperating revenues (expenses):				
Interest revenue	1,678,592	1,678,592	2,311,279	632,687
Interest expense	(5,795,320)	(5,807,320)	(5,021,409)	785,911
Sewer connection charges	14,400,000	14,400,000	22,689,411	8,289,411
Arbitrage (expense) credit			(2,500)	(2,500)
Gain (loss) on sale of capital assets			(2,948)	(2,948)
Intergovernmental revenue	10,165,000	10,165,000	10,897,491	732,491
Intergovernmental expense	(6,080,480)	(6,080,480)	(3,315,996)	2,764,484
Total nonoperating revenues (expenses)	<u>14,367,792</u>	<u>14,355,792</u>	<u>27,555,328</u>	<u>13,199,536</u>
Income (loss) before contributions and operating transfers	21,813,321	21,813,321	43,964,492	22,151,171
Capital contributions - sewer lines	6,000,000	6,000,000	7,502,100	1,502,100
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	
Changes in net assets	26,813,321	26,813,321	50,466,592	23,653,271
Net assets, July 1	<u>435,032,924</u>	<u>435,032,924</u>	<u>435,032,924</u>	
Net assets, June 30	<u>\$ 461,846,245</u>	<u>\$ 461,846,245</u>	<u>\$ 485,499,516</u>	<u>\$ 23,653,271</u>

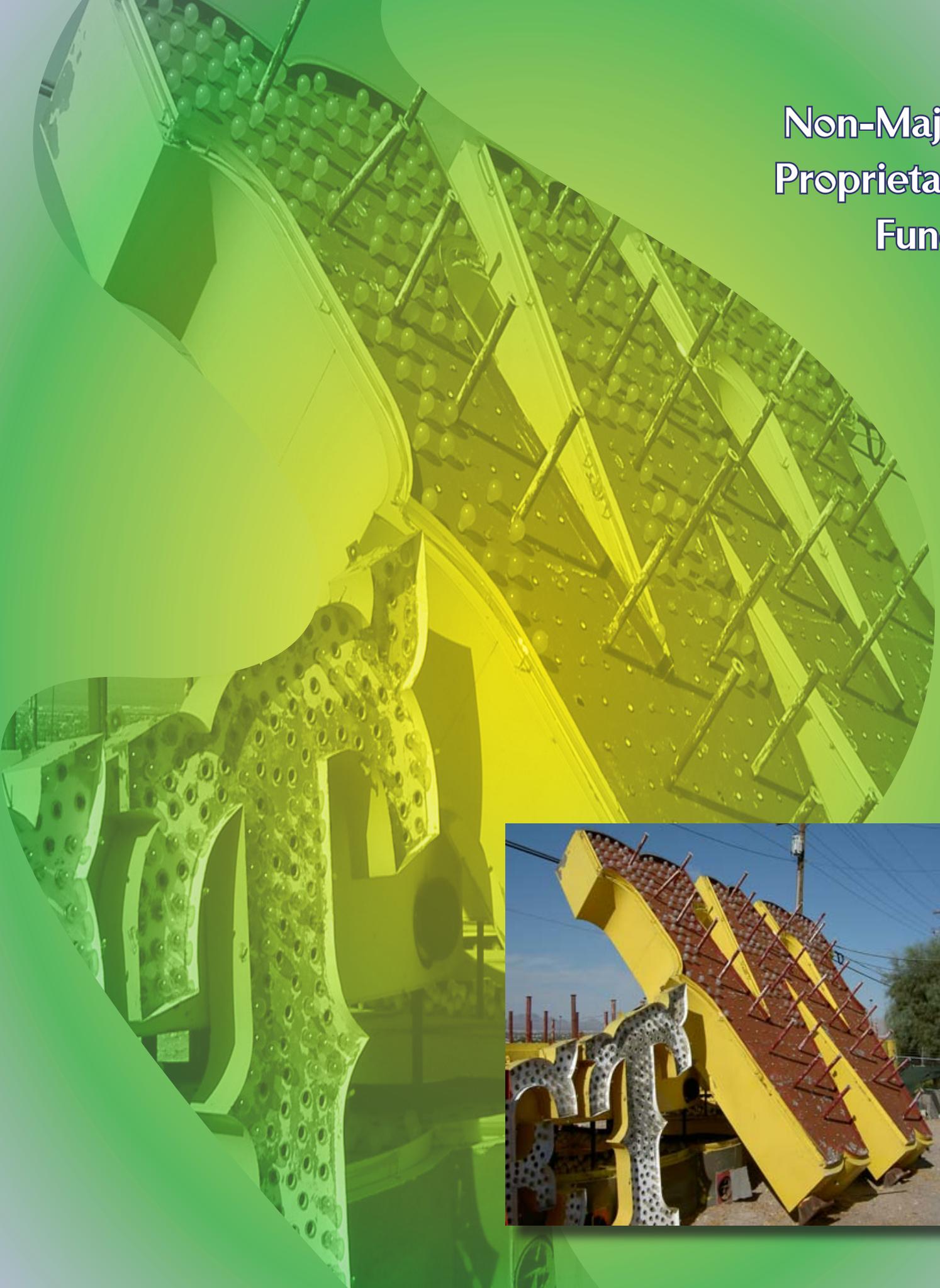
See accompanying independent auditor's report.

CITY OF LAS VEGAS, NEVADA  
NONPROFIT CORPORATIONS ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Miscellaneous:				
Rentals	\$	\$	\$ 80,845	\$ 80,845
Total operating revenues	<u>0</u>	<u>0</u>	<u>80,845</u>	<u>80,845</u>
Operating expenses:				
Services and supplies	<u>738,000</u>	<u>738,000</u>	<u>423,777</u>	<u>314,223</u>
Total operating expenses	<u>738,000</u>	<u>738,000</u>	<u>423,777</u>	<u>314,223</u>
Operating income (loss)	<u>(738,000)</u>	<u>(738,000)</u>	<u>(342,932)</u>	<u>395,068</u>
Nonoperating revenues (expenses):				
Interest revenue			31,858	31,858
Gain (loss) on sale of capital assets			3,925,204	3,925,204
Total nonoperating revenues (expenses)	<u>0</u>	<u>0</u>	<u>3,957,062</u>	<u>3,957,062</u>
Income (loss) before contributions and transfers	<u>(738,000)</u>	<u>(738,000)</u>	<u>3,614,130</u>	<u>4,352,130</u>
Changes in net assets	<u>(738,000)</u>	<u>(738,000)</u>	<u>3,614,130</u>	<u>4,352,130</u>
Net assets, July 1	<u>23,063,553</u>	<u>23,063,553</u>	<u>23,063,553</u>	
Net assets, June 30	<u>\$ 22,325,553</u>	<u>\$ 22,325,553</u>	<u>\$ 26,677,683</u>	<u>\$ 4,352,130</u>

See accompanying independent auditor's report.

# Non-Major Proprietary Funds



# Nonmajor Proprietary Funds

## ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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**Municipal Golf Course Fund**—This fund is used to account for the revenues and costs associated with constructing, operating and leasing public golf courses.

**Municipal Parking Fund**—This fund is used to account for the revenues and expenses of providing public parking. This includes the leasing of two downtown parking garages owned by the City, all parking enforcement and parking ticket collection activity throughout the City, and the construction and operation of downtown parking facilities.

**Video Production Fund**—This fund is used to provide equipment and studios for television programming over the public, educational and government channels.

**Development Services Fund**—This fund is used to account for the costs of safeguarding people and property by providing reasonable controls for the construction, use and occupancy of buildings.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2006

	Municipal Golf Course	Municipal Parking
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,559,427	\$ 6,554,391
Receivables (net of allowances for uncollectibles):		
Accounts		65,923
Interest		34,524
Loans		2,781,449
Intergovernmental		
Inventories	17,463	
Prepaid items	107,519	
Deposits	26,191	
Total current assets	1,710,600	9,436,287
Noncurrent assets:		
Deferred charges-bond issuance costs	63,767	
Capital assets:		
Land	795,047	2,531,083
Land improvements	13,014,488	48,945
Buildings	4,414,014	2,116,942
Building improvements	115,386	580,492
Machinery and equipment	534,496	5,875
Construction in progress	7,817	
Less accumulated depreciation	(4,872,821)	(2,745,699)
Total capital assets (net of accumulated depreciation)	14,008,427	2,537,638
Total noncurrent assets	14,072,194	2,537,638
Total assets	15,782,794	11,973,925

<u>Video Production</u>	<u>Development Services</u>	<u>Totals</u>
\$ 1,357,567	\$ 10,187,490	\$ 19,658,875
	500	66,423
8,397	51,337	94,258
		2,781,449
1,664		1,664
		17,463
		107,519
		26,191
<u>1,367,628</u>	<u>10,239,327</u>	<u>22,753,842</u>
		<u>63,767</u>
		3,326,130
		13,063,433
		6,530,956
141,589		837,467
1,489,598		2,029,969
		7,817
<u>(725,788)</u>		<u>(8,344,308)</u>
<u>905,399</u>	<u>0</u>	<u>17,451,464</u>
<u>905,399</u>	<u>0</u>	<u>17,515,231</u>
<u>2,273,027</u>	<u>10,239,327</u>	<u>40,269,073</u>

Continued

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF NET ASSETS (continued)  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2006

	<u>Municipal Golf Course</u>	<u>Municipal Parking</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 52,736	\$ 112,171
Compensated absences payable		548
Deposits	800	8,490
General obligation revenue bonds payable	425,000	
Interest payable	52,476	
Intergovernmental payable	1,502	
Total current liabilities	<u>532,514</u>	<u>121,209</u>
Noncurrent liabilities:		
Compensated absences payable		292,108
General obligation revenue bonds payable	10,548,290	
Unearned revenue	12,542	905,775
Total noncurrent liabilities	<u>10,560,832</u>	<u>1,197,883</u>
Total liabilities	<u>11,093,346</u>	<u>1,319,092</u>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	3,035,137	2,537,638
Unrestricted	1,654,311	8,117,195
Total net assets	<u>\$ 4,689,448</u>	<u>\$ 10,654,833</u>

See accompanying independent auditor's report.

<u>Video Production</u>	<u>Development Services</u>	<u>Totals</u>
\$ 27,079	\$ 12,645	\$ 204,631
	12,214	12,762
		9,290
		425,000
		52,476
		1,502
<u>27,079</u>	<u>24,859</u>	<u>705,661</u>
76,775	1,936,253	2,305,136
		10,548,290
		918,317
<u>76,775</u>	<u>1,936,253</u>	<u>13,771,743</u>
<u>103,854</u>	<u>1,961,112</u>	<u>14,477,404</u>
905,399		6,478,174
<u>1,263,774</u>	<u>8,278,215</u>	<u>19,313,495</u>
\$ <u><u>2,169,173</u></u>	\$ <u><u>8,278,215</u></u>	\$ <u><u>25,791,669</u></u>

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Municipal Golf Course</u>	<u>Municipal Parking</u>
Operating revenues:		
Licenses and permits	\$ 1,242,038	\$ 2,141,632
Charges for services		3,000,780
Fines and forfeits		1,216,537
Miscellaneous	<u>190,726</u>	<u>6,358,949</u>
Total operating revenues	<u>1,432,764</u>	<u>6,358,949</u>
Operating expenses:		
Salaries and employee benefits		2,422,434
Services and supplies	1,405,521	1,574,299
Cost of stores issued	108,040	
Depreciation	<u>776,123</u>	<u>3,150</u>
Total operating expenses	<u>2,289,684</u>	<u>3,999,883</u>
Operating income (loss)	<u>(856,920)</u>	<u>2,359,066</u>
Nonoperating revenues (expenses):		
Interest revenue		154,050
Interest expense	(637,860)	(8,540)
Gain (loss) on sale of capital assets	2,761,819	
Contributions to other governments	<u>(88,266)</u>	
Total nonoperating revenues (expenses)	<u>2,035,693</u>	<u>145,510</u>
Income (loss) before contributions and transfers	1,178,773	2,504,576
Transfers in	1,274,000	1,400,000
Transfers out		<u>(1,762,276)</u>
Changes in net assets	2,452,773	2,142,300
Net assets, July 1	<u>2,236,675</u>	<u>8,512,533</u>
Net assets, June 30	<u>\$ 4,689,448</u>	<u>\$ 10,654,833</u>

See accompanying independent auditor's report.

<u>Video Production</u>	<u>Development Services</u>	<u>Totals</u>
\$ 1,869,400	\$ 17,604,306	\$ 19,473,706
22,084	1,303,264	4,709,018
		3,000,780
	2,268	1,409,531
<u>1,891,484</u>	<u>18,909,838</u>	<u>28,593,035</u>
926,579	12,796,151	16,145,164
350,556	2,681,590	6,011,966
		108,040
157,100		936,373
<u>1,434,235</u>	<u>15,477,741</u>	<u>23,201,543</u>
<u>457,249</u>	<u>3,432,097</u>	<u>5,391,492</u>
34,957	212,162	401,169
		(646,400)
		2,761,819
(150,000)		(238,266)
<u>(115,043)</u>	<u>212,162</u>	<u>2,278,322</u>
342,206	3,644,259	7,669,814
		2,674,000
(200,000)	(1,005,000)	(2,967,276)
142,206	2,639,259	7,376,538
2,026,967	5,638,956	18,415,131
<u>\$ 2,169,173</u>	<u>\$ 8,278,215</u>	<u>\$ 25,791,669</u>

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Municipal Golf Course</u>	<u>Municipal Parking</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,434,453	\$ 6,367,657
Cash payments to suppliers for goods and services	(1,450,487)	(1,503,676)
Cash payments to employees for services	<u>(16,034)</u>	<u>(2,430,580)</u>
Net cash provided by (used in) operating activities	<u>(16,034)</u>	<u>2,433,401</u>
Cash flows from noncapital financing activities:		
Cash paid to other funds	(1,328,668)	(72,334)
Transfers in from other funds	1,274,000	1,400,000
Transfers out to other funds		(1,762,276)
Contributions to other governments	<u>(88,266)</u>	<u></u>
Net cash provided by (used in) noncapital financing activities	<u>(142,934)</u>	<u>(434,610)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,817)	
Principal paid on bonds	(395,000)	
Interest paid	(640,607)	(8,540)
Proceeds from sale of assets	<u>2,761,819</u>	<u></u>
Net cash provided by (used in) capital and related financing activities	<u>1,718,395</u>	<u>(8,540)</u>
Cash flows from investing activities:		
Interest and dividends on investments	<u></u>	<u>147,366</u>
Net cash provided by (used in) investing activities	<u>0</u>	<u>147,366</u>
Net increase (decrease) in cash and cash equivalents	1,559,427	2,137,617
Cash and cash equivalents, July 1	<u></u>	<u>4,416,774</u>
Cash and cash equivalents, June 30	<u>\$ 1,559,427</u>	<u>\$ 6,554,391</u>

<u>Video Production</u>	<u>Development Services</u>	<u>Totals</u>
\$ 1,889,820	\$ 18,912,538	\$ 28,604,468
(385,687)	(2,688,493)	(6,028,343)
<u>(914,792)</u>	<u>(12,682,977)</u>	<u>(16,028,349)</u>
<u>589,341</u>	<u>3,541,068</u>	<u>6,547,776</u>
		(1,401,002)
		2,674,000
(200,000)	(1,005,000)	(2,967,276)
<u>(150,000)</u>	<u></u>	<u>(238,266)</u>
<u>(350,000)</u>	<u>(1,005,000)</u>	<u>(1,932,544)</u>
(61,473)		(69,290)
		(395,000)
		(649,147)
		<u>2,761,819</u>
<u>(61,473)</u>	<u>0</u>	<u>1,648,382</u>
34,694	203,577	385,637
<u>34,694</u>	<u>203,577</u>	<u>385,637</u>
212,562	2,739,645	6,649,251
<u>1,145,005</u>	<u>7,447,845</u>	<u>13,009,624</u>
\$ <u><u>1,357,567</u></u>	\$ <u><u>10,187,490</u></u>	\$ <u><u>19,658,875</u></u>

Continued

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CASH FLOWS (continued)  
NONMAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Municipal Golf Course	Municipal Parking
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (856,920)	\$ 2,359,066
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	776,123	3,150
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		26,012
(Increase) decrease in intergovernmental receivable		
(Increase) decrease in inventories	6,450	
(Increase) decrease in prepaid items	13,807	
Increase (decrease) in accounts payable	49,338	70,623
Increase (decrease) in intergovernmental payable	(6,521)	
Increase (decrease) in compensated absences payable		(8,146)
Increase (decrease) in deposits	(243)	4,996
Increase (decrease) in deferred revenue	1,932	(22,300)
Net cash provided by (used in) operating activities	\$ (16,034)	\$ 2,433,401

See accompanying independent auditor's report.

<u>Video Production</u>	<u>Development Services</u>	<u>Totals</u>
\$ 457,249	\$ 3,432,097	\$ 5,391,492
157,100		936,373
(1,664)	2,700	28,712 (1,664) 6,450 13,807
(35,131)	(6,903)	77,927 (6,521)
11,787	113,174	116,815 4,753 (20,368)
<u>\$ 589,341</u>	<u>\$ 3,541,068</u>	<u>\$ 6,547,776</u>

CITY OF LAS VEGAS, NEVADA  
MUNICIPAL GOLF COURSE ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services:				
Other	\$ 1,579,700	\$ 1,579,700	\$ 1,242,038	\$ (337,662)
Miscellaneous	<u>165,000</u>	<u>165,000</u>	<u>190,726</u>	<u>25,726</u>
Total operating revenues	<u>1,744,700</u>	<u>1,744,700</u>	<u>1,432,764</u>	<u>(311,936)</u>
Operating expenses:				
Services and supplies	1,556,824	1,556,824	1,405,521	151,303
Cost of stores issued	133,841	133,841	108,040	25,801
Depreciation	<u>806,000</u>	<u>806,000</u>	<u>776,123</u>	<u>29,877</u>
Total operating expenses	<u>2,496,665</u>	<u>2,496,665</u>	<u>2,289,684</u>	<u>206,981</u>
Operating income (loss)	<u>(751,965)</u>	<u>(751,965)</u>	<u>(856,920)</u>	<u>(104,955)</u>
Nonoperating revenues (expenses):				
Interest expense	(637,828)	(637,828)	(637,860)	(32)
Gain (loss) on sale of fixed assets			2,761,819	2,761,819
Contributions to other governments	<u>(100,000)</u>	<u>(100,000)</u>	<u>(88,266)</u>	<u>11,734</u>
Total nonoperating revenues (expenses)	<u>(737,828)</u>	<u>(737,828)</u>	<u>2,035,693</u>	<u>2,773,521</u>
Income (loss) before contributions and transfers	(1,489,793)	(1,489,793)	1,178,773	2,668,566
Transfers in	<u>1,274,000</u>	<u>1,274,000</u>	<u>1,274,000</u>	
Changes in net assets	(215,793)	(215,793)	2,452,773	2,668,566
Net assets, July 1	<u>2,236,675</u>	<u>2,236,675</u>	<u>2,236,675</u>	
Net assets, June 30	<u>\$ 2,020,882</u>	<u>\$ 2,020,882</u>	<u>\$ 4,689,448</u>	<u>\$ 2,668,566</u>

See accompanying independent auditor's report.

CITY OF LAS VEGAS, NEVADA  
MUNICIPAL PARKING ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 1,979,000	\$ 1,979,000	\$ 2,141,632	\$ 162,632
Fines and forfeits	2,996,000	2,996,000	3,000,780	4,780
Miscellaneous:				
Parking garage lease	1,200,000	1,200,000	1,185,107	(14,893)
Other	20,000	20,000	31,430	11,430
Total operating revenues	<u>6,195,000</u>	<u>6,195,000</u>	<u>6,358,949</u>	<u>163,949</u>
Operating expenses:				
Salaries and employee benefits	2,679,699	2,679,699	2,422,434	257,265
Services and supplies	2,102,414	2,092,414	1,574,299	518,115
Depreciation	4,200	4,200	3,150	1,050
Total operating expenses	<u>4,786,313</u>	<u>4,776,313</u>	<u>3,999,883</u>	<u>776,430</u>
Operating income (loss)	<u>1,408,687</u>	<u>1,418,687</u>	<u>2,359,066</u>	<u>940,379</u>
Nonoperating revenues (expenses):				
Interest revenue	92,936	92,936	154,050	61,114
Interest expense	<u>                    </u>	<u>(10,000)</u>	<u>(8,540)</u>	<u>1,460</u>
Total nonoperating revenues (expenses)	<u>92,936</u>	<u>82,936</u>	<u>145,510</u>	<u>62,574</u>
Income (loss) before contributions and transfers	1,501,623	1,501,623	2,504,576	1,002,953
Transfers in	1,400,000	1,400,000	1,400,000	
Transfers out	<u>(1,762,276)</u>	<u>(1,762,276)</u>	<u>(1,762,276)</u>	
Changes in net assets	1,139,347	1,139,347	2,142,300	1,002,953
Net assets, July 1	<u>8,512,533</u>	<u>8,512,533</u>	<u>8,512,533</u>	
Net assets, June 30	<u>\$ 9,651,880</u>	<u>\$ 9,651,880</u>	<u>\$ 10,654,833</u>	<u>\$ 1,002,953</u>

See accompanying independent auditor's report.

CITY OF LAS VEGAS, NEVADA  
VIDEO PRODUCTION ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Licenses and permits:				
Franchise Fees - Cable TV	\$ 1,864,343	\$ 1,864,343	\$ 1,869,400	\$ 5,057
Charges for services			22,084	22,084
Total operating revenues	<u>1,864,343</u>	<u>1,864,343</u>	<u>1,891,484</u>	<u>27,141</u>
Operating expenses:				
Salaries and employee benefits	1,135,472	1,135,472	926,579	208,893
Services and supplies	344,417	344,417	350,556	(6,139)
Depreciation	140,000	140,000	157,100	(17,100)
Total operating expenses	<u>1,619,889</u>	<u>1,619,889</u>	<u>1,434,235</u>	<u>185,654</u>
Operating income (loss)	<u>244,454</u>	<u>244,454</u>	<u>457,249</u>	<u>212,795</u>
Nonoperating revenues (expenses):				
Interest revenue	27,762	27,762	34,957	7,195
Contributions to other governments	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	
Total nonoperating revenues (expenses)	<u>(122,238)</u>	<u>(122,238)</u>	<u>(115,043)</u>	<u>7,195</u>
Income (loss) before contributions and transfers	122,216	122,216	342,206	219,990
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	
Changes in net assets	(77,784)	(77,784)	142,206	219,990
Net assets, July 1	<u>2,026,967</u>	<u>2,026,967</u>	<u>2,026,967</u>	
Net assets, June 30	<u>\$ 1,949,183</u>	<u>\$ 1,949,183</u>	<u>\$ 2,169,173</u>	<u>\$ 219,990</u>

See accompanying independent auditor's report.

CITY OF LAS VEGAS, NEVADA  
DEVELOPMENT SERVICES ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Licenses and permits:				
Building permits	\$ 14,648,292	\$ 14,648,292	\$ 16,429,819	\$ 1,781,527
Miscellaneous permits	1,221,250	1,221,250	1,174,487	(46,763)
Charges for services	1,545,200	1,545,200	1,303,264	(241,936)
Miscellaneous	<u>133,100</u>	<u>133,100</u>	<u>2,268</u>	<u>(130,832)</u>
Total operating revenues	<u>17,547,842</u>	<u>17,547,842</u>	<u>18,909,838</u>	<u>1,361,996</u>
Operating expenses:				
Salaries and employee benefits	13,464,902	13,464,902	12,796,151	668,751
Services and supplies	<u>2,504,874</u>	<u>2,504,874</u>	<u>2,681,590</u>	<u>(176,716)</u>
Total operating expenses	<u>15,969,776</u>	<u>15,969,776</u>	<u>15,477,741</u>	<u>492,035</u>
Operating income (loss)	<u>1,578,066</u>	<u>1,578,066</u>	<u>3,432,097</u>	<u>1,854,031</u>
Nonoperating revenues (expenses):				
Interest revenue	<u>208,674</u>	<u>208,674</u>	<u>212,162</u>	<u>3,488</u>
Total nonoperating revenues (expenses)	<u>208,674</u>	<u>208,674</u>	<u>212,162</u>	<u>3,488</u>
Income (loss) before contributions and transfers	1,786,740	1,786,740	3,644,259	1,857,519
Transfers out	<u>(605,000)</u>	<u>(605,000)</u>	<u>(1,005,000)</u>	<u>(400,000)</u>
Changes in net assets	1,181,740	1,181,740	2,639,259	1,457,519
Net assets, July 1	<u>5,638,956</u>	<u>5,638,956</u>	<u>5,638,956</u>	
Net assets, June 30	<u>\$ 6,820,696</u>	<u>\$ 6,820,696</u>	<u>\$ 8,278,215</u>	<u>\$ 1,457,519</u>

See accompanying independent auditor's report.

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**Internal  
Service  
Funds**

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. Accounting for Internal Service Funds as a proprietary fund type is designed to accumulate the total cost (including depreciation) of providing a particular service. Costs of services are reimbursed by the departments or agencies to which the service is provided.

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**Reimbursable Expense Fund**—This fund is used to account for miscellaneous costs of services and supplies which are incurred on behalf of private enterprises and other governmental entities.

**Fire Communications Fund**—This fund is used to account for the costs of providing emergency dispatch services for the entire Las Vegas valley area. Through an interlocal agreement, the costs of operations are shared by the City and other governmental entities who are billed quarterly.

**Graphic Arts Fund**—This fund is used to account for the costs of materials, supplies and graphic reproduction services to City departments and agencies which are charged at cost plus a handling fee.

**Computer Services Fund**—This fund is used to account for the purchase, software licensing, and maintenance of personal computers.

**Communications Fund**—This fund is used to account for the costs of purchasing and maintaining radios, pagers, cellular and telephone equipment used by City departments. Each department is charged for usage at a ratio to allow recovery of acquisition costs, maintenance and repair of the equipment.

**Automotive Operations Fund**—This fund is used to account for the acquisition, replacement, maintenance and repair of the City's fleet of vehicles and equipment as well as the operating costs of the central garage and its satellites. City departments and agencies are charged monthly fees to allow recovery of costs.

**Employee Benefit Fund**—This fund is used to account for monies collected from City departments, employees and former employees and dependents to be expended for premiums and claims for health insurance and other employee benefits provided to employees and their dependents. The fund includes the City's Workers' Compensation self-insurance program which expends payment of claims, as required by law, to employees injured by accident at work.

**Personal & Liability Insurance Fund**—This fund is used to account for monies collected for the self-insurance program from City departments to be expended for payment of claims, to certain legal limits, for casualty and accident insurance and to cover damage and loss of City-owned assets.

**Fire Equipment Acquisition Fund**—This fund is used to account for the acquisition costs of new fire vehicles and equipment. Maintenance costs are reported in the General Fund.

**Miscellaneous Stores Fund**—This fund is used to account for the costs of goods held for resale to other City departments and agencies.

CITY OF LAS VEGAS, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2006

	<u>Reimbursable Expenses</u>	<u>Fire Communications</u>	<u>Graphic Arts</u>	<u>Computer Services</u>	<u>Communications</u>	<u>Automotive Operations</u>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 4,697,382	\$ 1,105,374	\$ 1,225,911	\$ 7,915,365	\$ 2,602,523	\$ 17,466,802
Investments						
Receivables (net of allowances for uncollectibles):						
Accounts	2,276		440			
Interest	6,263	4,907	5,553	39,452	11,239	77,506
Loans	72,126					
Intergovernmental	49,777	912,782	7,444			151,140
Due from other funds	61,159					
Inventories			123,339	927,173	122,054	293,852
Total current assets	<u>4,888,983</u>	<u>2,023,063</u>	<u>1,362,687</u>	<u>8,881,990</u>	<u>2,735,816</u>	<u>17,989,300</u>
Noncurrent assets:						
Capital assets:						
Land improvements						257,077
Buildings			499,416			3,486,899
Building improvements		4,349,414	74,021			56,882
Machinery and equipment		2,747,441	665,188	1,570,154	538,080	410,084
Vehicles						30,626,069
Less accumulated depreciation		<u>(4,703,595)</u>	<u>(780,957)</u>	<u>(510,942)</u>	<u>(104,664)</u>	<u>(20,308,626)</u>
Total capital assets (net of accumulated depreciation)	<u>0</u>	<u>2,393,260</u>	<u>457,668</u>	<u>1,059,212</u>	<u>433,416</u>	<u>14,528,385</u>
Total assets	<u>4,888,983</u>	<u>4,416,323</u>	<u>1,820,355</u>	<u>9,941,202</u>	<u>3,169,232</u>	<u>32,517,685</u>

<u>Employee Benefit</u>	<u>Personal &amp; Liability Insurance</u>	<u>Fire Equipment Acquisition</u>	<u>Miscellaneous Stores</u>	<u>Totals</u>
\$ 30,534,525	\$ 3,545,772	\$ 3,958,229	\$	\$ 73,051,883
2,895,150	5,297,628			8,192,778
238,473	399,469			640,658
162,425	72,372	15,079		394,796
				72,126
	1,040			1,122,183
				61,159
			1,766,232	3,232,650
<u>33,830,573</u>	<u>9,316,281</u>	<u>3,973,308</u>	<u>1,766,232</u>	<u>86,768,233</u>
				257,077
				3,986,315
2,210				4,482,527
5,670	8,380			5,944,997
		9,713,859		40,339,928
<u>(7,880)</u>	<u>(8,380)</u>	<u>(6,384,461)</u>		<u>(32,809,505)</u>
<u>0</u>	<u>0</u>	<u>3,329,398</u>	<u>0</u>	<u>22,201,339</u>
<u>33,830,573</u>	<u>9,316,281</u>	<u>7,302,706</u>	<u>1,766,232</u>	<u>108,969,572</u>

Continued

CITY OF LAS VEGAS, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS (continued)  
JUNE 30, 2006

	<u>Reimbursable Expenses</u>	<u>Fire Communications</u>	<u>Graphic Arts</u>	<u>Computer Services</u>	<u>Communications</u>	<u>Automotive Operations</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 2,246	\$ 107,160	\$ 83,779	\$ 695,699	\$ 4,214	\$ 1,645,290
Deposits		236,496				
Due to other funds						
Benefits payable	3,510,949					
Claims and judgments payable						
Total current liabilities	<u>3,513,195</u>	<u>343,656</u>	<u>83,779</u>	<u>695,699</u>	<u>4,214</u>	<u>1,645,290</u>
Noncurrent liabilities:						
Compensated absences payable	72,241	486,677	122,392	89,552	60,608	533,852
Benefits payable						
Total noncurrent liabilities	<u>72,241</u>	<u>486,677</u>	<u>122,392</u>	<u>89,552</u>	<u>60,608</u>	<u>533,852</u>
Total liabilities	<u>3,585,436</u>	<u>830,333</u>	<u>206,171</u>	<u>785,251</u>	<u>64,822</u>	<u>2,179,142</u>
<b>NET ASSETS</b>						
Invested in capital assets		2,393,260	457,668	1,059,212	433,416	14,528,385
Unrestricted	<u>1,303,547</u>	<u>1,192,730</u>	<u>1,156,516</u>	<u>8,096,739</u>	<u>2,670,994</u>	<u>15,810,158</u>
Total net assets	<u>\$ 1,303,547</u>	<u>\$ 3,585,990</u>	<u>\$ 1,614,184</u>	<u>\$ 9,155,951</u>	<u>\$ 3,104,410</u>	<u>\$ 30,338,543</u>

See accompanying independent auditors' report.

<u>Employee Benefit</u>	<u>Personal &amp; Liability Insurance</u>	<u>Fire Equipment Acquisition</u>	<u>Miscellaneous Stores</u>	<u>Totals</u>
\$ 52,652	\$ 9,420	\$ 13,564	\$ 76,272	\$ 2,690,296
				236,496
			1,078,754	1,078,754
2,771,695				6,282,644
	481,652			481,652
<u>2,824,347</u>	<u>491,072</u>	<u>13,564</u>	<u>1,155,026</u>	<u>10,769,842</u>
33,970	43,982			1,443,274
8,302,995				8,302,995
<u>8,336,965</u>	<u>43,982</u>	<u>0</u>	<u>0</u>	<u>9,746,269</u>
<u>11,161,312</u>	<u>535,054</u>	<u>13,564</u>	<u>1,155,026</u>	<u>20,516,111</u>
		3,329,398		22,201,339
<u>22,669,261</u>	<u>8,781,227</u>	<u>3,959,744</u>	<u>611,206</u>	<u>66,252,122</u>
<u>\$ 22,669,261</u>	<u>\$ 8,781,227</u>	<u>\$ 7,289,142</u>	<u>\$ 611,206</u>	<u>\$ 88,453,461</u>

CITY OF LAS VEGAS, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Reimbursable Expenses</u>	<u>Fire Communications</u>	<u>Graphic Arts</u>	<u>Computer Services</u>	<u>Communications</u>	<u>Automotive Operations</u>
Operating revenues:						
Charges for services	\$ 2,341,158	\$ 8,008,018	\$ 2,267,649	\$ 6,573,903	\$ 716,097	\$ 12,037,477
Miscellaneous	<u>30</u>			<u>67,293</u>		<u>66,854</u>
Total operating revenues	<u>2,341,188</u>	<u>8,008,018</u>	<u>2,267,649</u>	<u>6,641,196</u>	<u>716,097</u>	<u>12,104,331</u>
Operating expenses:						
Salaries and employee benefits	1,830,696	5,947,524	685,510	1,270,791	262,499	3,261,266
Services and supplies	513,803	2,261,663	967,124	3,876,990	249,315	1,420,303
Cost of stores issued			108,736	1,826,833	161,572	3,237,950
Insurance claims						
Insurance premiums						
Depreciation		666,346	66,611	202,488	39,898	2,852,663
Total operating expenses	<u>2,344,499</u>	<u>8,875,533</u>	<u>1,827,981</u>	<u>7,177,102</u>	<u>713,284</u>	<u>10,772,182</u>
Operating income (loss)	<u>(3,311)</u>	<u>(867,515)</u>	<u>439,668</u>	<u>(535,906)</u>	<u>2,813</u>	<u>1,332,149</u>
Nonoperating revenues (expenses):						
Interest revenue	33,021	23,477	23,968	201,286	63,391	409,386
Gain (loss) on sale of capital assets		(8,171)	(2,096)	(9,715)		280,211
Intergovernmental revenue						160,000
Intergovernmental expense						
Total nonoperating revenues (expenses)	<u>33,021</u>	<u>15,306</u>	<u>21,872</u>	<u>191,571</u>	<u>63,391</u>	<u>849,597</u>
Income (loss) before contributions and operating transfers	29,710	(852,209)	461,540	(344,335)	66,204	2,181,746
Transfers in		<u>46,062</u>			<u>500,000</u>	<u>1,500,000</u>
Changes in net assets	29,710	(806,147)	461,540	(344,335)	566,204	3,681,746
Total net assets, July 1	<u>1,273,837</u>	<u>4,392,137</u>	<u>1,152,644</u>	<u>9,500,286</u>	<u>2,538,206</u>	<u>26,656,797</u>
Total net assets, June 30	<u>\$ 1,303,547</u>	<u>\$ 3,585,990</u>	<u>\$ 1,614,184</u>	<u>\$ 9,155,951</u>	<u>\$ 3,104,410</u>	<u>\$ 30,338,543</u>

See accompanying independent auditors' report.

<u>Employee Benefit</u>	<u>Personal &amp; Liability Insurance</u>	<u>Fire Equipment Acquisition</u>	<u>Miscellaneous Stores</u>	<u>Totals</u>
\$ 29,088,274	\$ 2,009,720	\$ 1,790,882	\$ 79,382	\$ 64,912,560
	25,139		15,068	174,384
<u>29,088,274</u>	<u>2,034,859</u>	<u>1,790,882</u>	<u>94,450</u>	<u>65,086,944</u>
354,285	500,207			14,112,778
2,523,256	484,193		39,550	12,336,197
			95,667	5,430,758
18,223,013	562,670			18,785,683
3,590,047	253,271			3,843,318
		690,752		4,518,758
<u>24,690,601</u>	<u>1,800,341</u>	<u>690,752</u>	<u>135,217</u>	<u>59,027,492</u>
<u>4,397,673</u>	<u>234,518</u>	<u>1,100,130</u>	<u>(40,767)</u>	<u>6,059,452</u>
718,666	144,929	85,136		1,703,260
		47,089		307,318
				160,000
<u>(695,821)</u>				<u>(695,821)</u>
<u>22,845</u>	<u>144,929</u>	<u>132,225</u>	<u>0</u>	<u>1,474,757</u>
4,420,518	379,447	1,232,355	(40,767)	7,534,209
<u>3,000,000</u>		<u>281,077</u>		<u>5,327,139</u>
7,420,518	379,447	1,513,432	(40,767)	12,861,348
<u>15,248,743</u>	<u>8,401,780</u>	<u>5,775,710</u>	<u>651,973</u>	<u>75,592,113</u>
<u>\$ 22,669,261</u>	<u>\$ 8,781,227</u>	<u>\$ 7,289,142</u>	<u>\$ 611,206</u>	<u>\$ 88,453,461</u>

CITY OF LAS VEGAS, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Reimbursable Expenses</u>	<u>Fire Communications</u>	<u>Graphic Arts</u>	<u>Computer Services</u>	<u>Communications</u>
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,906,882	\$ 8,218,639	\$ 2,280,207	\$ 6,641,196	\$ 716,097
Cash payments to suppliers for goods and services	(586,307)	(2,176,466)	(1,110,020)	(6,912,744)	(571,996)
Cash payments to employees for services	<u>(1,499,538)</u>	<u>(5,865,554)</u>	<u>(684,118)</u>	<u>(1,260,682)</u>	<u>(256,842)</u>
Net cash provided by (used in) operating activities	<u>821,037</u>	<u>176,619</u>	<u>486,069</u>	<u>(1,532,230)</u>	<u>(112,741)</u>
Cash flows from noncapital financing activities:					
Cash received from other funds					
Federal grants					
Transfers in from other funds		46,062			500,000
Subsidies paid to other governments					
Net cash provided by (used in) noncapital financing activities	<u>0</u>	<u>46,062</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets			(84,546)	(100,802)	(341,024)
Proceeds from sale of fixed assets					
Net cash provided by (used in) capital and related financing activities	<u>0</u>	<u>0</u>	<u>(84,546)</u>	<u>(100,802)</u>	<u>(341,024)</u>
Cash flows from investing activities:					
Interest and dividends on investments	33,554	19,173	22,649	217,077	62,231
Proceeds of investment securities					
Net cash provided by (used in) investing activities	<u>33,554</u>	<u>19,173</u>	<u>22,649</u>	<u>217,077</u>	<u>62,231</u>
Net increase (decrease) in cash and cash equivalents	854,591	241,854	424,172	(1,415,955)	108,466
Cash and cash equivalents, July 1	<u>3,842,791</u>	<u>863,520</u>	<u>801,739</u>	<u>9,331,320</u>	<u>2,494,057</u>
Cash and cash equivalents, June 30	<u>\$ 4,697,382</u>	<u>\$ 1,105,374</u>	<u>\$ 1,225,911</u>	<u>\$ 7,915,365</u>	<u>\$ 2,602,523</u>

See accompanying independent auditors' report.

<u>Automotive Operations</u>	<u>Employee Benefit</u>	<u>Personal &amp; Liability Insurance</u>	<u>Fire Equipment Acquisition</u>	<u>Miscellaneous Stores</u>	<u>Totals</u>
\$ 11,961,930	\$ 28,864,411	\$ 2,156,946	\$ 1,790,882	\$ 94,450	\$ 65,631,640
(4,677,676)	(24,313,139)	(1,412,559)		(465,059)	(42,225,966)
<u>(3,232,705)</u>	<u>(347,246)</u>	<u>(545,446)</u>			<u>(13,692,131)</u>
<u>4,051,549</u>	<u>4,204,026</u>	<u>198,941</u>	<u>1,790,882</u>	<u>(370,609)</u>	<u>9,713,543</u>
				370,609	370,609
160,000					160,000
1,500,000	3,000,000		281,077		5,327,139
	<u>(695,821)</u>				<u>(695,821)</u>
<u>1,660,000</u>	<u>2,304,179</u>	<u>0</u>	<u>281,077</u>	<u>370,609</u>	<u>5,161,927</u>
(3,330,419)			(1,171,204)		(5,027,995)
<u>313,988</u>			<u>51,034</u>		<u>365,022</u>
<u>(3,016,431)</u>	<u>0</u>	<u>0</u>	<u>(1,120,170)</u>	<u>0</u>	<u>(4,662,973)</u>
411,019	726,446	145,445	86,854		1,724,448
	<u>66,425</u>	<u>136,428</u>			<u>202,853</u>
<u>411,019</u>	<u>792,871</u>	<u>281,873</u>	<u>86,854</u>	<u>0</u>	<u>1,927,301</u>
3,106,137	7,301,076	480,814	1,038,643	0	12,139,798
<u>14,360,665</u>	<u>23,233,449</u>	<u>3,064,958</u>	<u>2,919,586</u>		<u>60,912,085</u>
<u>\$ 17,466,802</u>	<u>\$ 30,534,525</u>	<u>\$ 3,545,772</u>	<u>\$ 3,958,229</u>	<u>\$ 0</u>	<u>\$ 73,051,883</u>

Continued

CITY OF LAS VEGAS, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Reimbursable Expenses</u>	<u>Fire Communications</u>	<u>Graphic Arts</u>	<u>Computer Services</u>	<u>Communications</u>	<u>Automotive Operations</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (3,311)	\$ (867,515)	\$ 439,668	\$ (535,906)	\$ 2,813	\$ 1,332,149
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation		666,346	66,611	202,488	39,898	2,852,663
Change in assets and liabilities:						
(Increase) decrease in accounts receivable			(417)			
(Increase) decrease in loans receivable	(72,126)					
(Increase) decrease in inter-governmental receivable	(17,659)	(25,875)	12,975			(142,401)
(Increase) decrease in due from other funds	583,353					
(Increase) decrease in inventories			(33,308)	(539,241)	(55,776)	(53,113)
Increase (decrease) in accounts payable	(378)	85,197	(852)	(669,680)	(105,333)	33,690
Increase (decrease) in deposits		236,496				
Increase (decrease) in compensated absences payable	19,316	81,970	1,392	10,109	5,657	28,561
Increase (decrease) in benefits payable	311,842					
Increase (decrease) in claims and judgments payable						
Net cash provided by (used in) operating activities	<u>\$ 821,037</u>	<u>\$ 176,619</u>	<u>\$ 486,069</u>	<u>\$ (1,532,230)</u>	<u>\$ (112,741)</u>	<u>\$ 4,051,549</u>

See accompanying independent auditors' report.

<u>Employee Benefit</u>	<u>Personal &amp; Liability Insurance</u>	<u>Fire Equipment Acquisition</u>	<u>Miscellaneous Stores</u>	<u>Totals</u>
\$ 4,397,673	\$ 234,518	\$ 1,100,130	\$ (40,767)	\$ 6,059,452
		690,752		4,518,758
(223,863)	122,087			(102,193)
				(72,126)
				(172,960)
				583,353
			(292,574)	(974,012)
(286,228)	(78,991)		(37,268)	(1,059,843)
				236,496
7,039	(45,239)			108,805
309,405				621,247
	<u>(33,434)</u>			<u>(33,434)</u>
<u>\$ 4,204,026</u>	<u>\$ 198,941</u>	<u>\$ 1,790,882</u>	<u>\$ (370,609)</u>	<u>\$ 9,713,543</u>

CITY OF LAS VEGAS, NEVADA  
REIMBURSABLE EXPENSES INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 2,045,254	\$ 2,285,254	\$ 2,341,158	\$ 55,904
Miscellaneous			30	30
Total operating revenues	<u>2,045,254</u>	<u>2,285,254</u>	<u>2,341,188</u>	<u>55,934</u>
Operating expenses:				
Salaries and employee benefits	1,619,545	1,809,545	1,830,696	(21,151)
Services and supplies	426,709	476,709	513,803	(37,094)
Total operating expenses	<u>2,046,254</u>	<u>2,286,254</u>	<u>2,344,499</u>	<u>(58,245)</u>
Operating income (loss)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(3,311)</u>	<u>(2,311)</u>
Nonoperating revenues (expenses):				
Interest revenue	37,167	37,167	33,021	(4,146)
Total nonoperating revenues (expenses)	<u>37,167</u>	<u>37,167</u>	<u>33,021</u>	<u>(4,146)</u>
Changes in net assets	36,167	36,167	29,710	(6,457)
Total net assets, July 1	<u>1,273,837</u>	<u>1,273,837</u>	<u>1,273,837</u>	
Total net assets, June 30	<u>\$ 1,310,004</u>	<u>\$ 1,310,004</u>	<u>\$ 1,303,547</u>	<u>\$ (6,457)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
FIRE COMMUNICATIONS INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 8,283,770	\$ 8,283,770	\$ 8,008,018	\$ (275,752)
Total operating revenues	<u>8,283,770</u>	<u>8,283,770</u>	<u>8,008,018</u>	<u>(275,752)</u>
Operating expenses:				
Salaries and employee benefits	5,954,316	5,954,316	5,947,524	6,792
Services and supplies	2,286,194	2,286,194	2,261,663	24,531
Depreciation	624,871	624,871	666,346	(41,475)
Total operating expenses	<u>8,865,381</u>	<u>8,865,381</u>	<u>8,875,533</u>	<u>(10,152)</u>
Operating income (loss)	<u>(581,611)</u>	<u>(581,611)</u>	<u>(867,515)</u>	<u>(285,904)</u>
Nonoperating revenues (expenses):				
Interest revenue	18,262	18,262	23,477	5,215
Gain (loss) on sale of capital assets			(8,171)	(8,171)
Total nonoperating revenues (expenses)	<u>18,262</u>	<u>18,262</u>	<u>15,306</u>	<u>(2,956)</u>
Income (loss) before contributions and operating transfers	(563,349)	(563,349)	(852,209)	(288,860)
Transfers in			46,062	46,062
Changes in net assets	(563,349)	(563,349)	(806,147)	(242,798)
Total net assets, July 1	<u>4,392,137</u>	<u>4,392,137</u>	<u>4,392,137</u>	
Total net assets, June 30	<u>\$ 3,828,788</u>	<u>\$ 3,828,788</u>	<u>\$ 3,585,990</u>	<u>\$ (242,798)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 GRAPHIC ARTS INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 2,000,000	\$ 2,000,000	\$ 2,267,649	\$ 267,649
Total operating revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,267,649</u>	<u>267,649</u>
Operating expenses:				
Salaries and employee benefits	680,683	680,683	685,510	(4,827)
Services and supplies	1,124,098	1,124,098	967,124	156,974
Cost of stores issued	174,520	174,520	108,736	65,784
Depreciation	113,348	113,348	66,611	46,737
Total operating expenses	<u>2,092,649</u>	<u>2,092,649</u>	<u>1,827,981</u>	<u>264,668</u>
Operating income (loss)	<u>(92,649)</u>	<u>(92,649)</u>	<u>439,668</u>	<u>532,317</u>
Nonoperating revenues (expenses):				
Interest revenue	17,590	17,590	23,968	6,378
Gain (loss) on sale of fixed assets			(2,096)	(2,096)
Total nonoperating revenues (expenses)	<u>17,590</u>	<u>17,590</u>	<u>21,872</u>	<u>4,282</u>
Changes in net assets	(75,059)	(75,059)	461,540	536,599
Total net assets, July 1	<u>1,152,644</u>	<u>1,152,644</u>	<u>1,152,644</u>	
Total net assets, June 30	<u>\$ 1,077,585</u>	<u>\$ 1,077,585</u>	<u>\$ 1,614,184</u>	<u>\$ 536,599</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
COMPUTER SERVICES INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 8,307,716	\$ 8,307,716	\$ 6,573,903	\$ (1,733,813)
Miscellaneous			67,293	67,293
Total operating revenues	<u>8,307,716</u>	<u>8,307,716</u>	<u>6,641,196</u>	<u>(1,666,520)</u>
Operating expenses:				
Salaries and employee benefits	1,329,767	1,329,767	1,270,791	58,976
Services and supplies	7,215,878	7,215,878	3,876,990	3,338,888
Cost of stores issued	1,953,458	1,953,458	1,826,833	126,625
Depreciation	250,000	250,000	202,488	47,512
Total operating expenses	<u>10,749,103</u>	<u>10,749,103</u>	<u>7,177,102</u>	<u>3,572,001</u>
Operating income (loss)	<u>(2,441,387)</u>	<u>(2,441,387)</u>	<u>(535,906)</u>	<u>1,905,481</u>
Nonoperating revenues (expenses):				
Interest revenue	249,392	249,392	201,286	(48,106)
Gain (loss) on sale of fixed assets			(9,715)	(9,715)
Total nonoperating revenues (expenses)	<u>249,392</u>	<u>249,392</u>	<u>191,571</u>	<u>(57,821)</u>
Changes in net assets	(2,191,995)	(2,191,995)	(344,335)	1,847,660
Total net assets, July 1	<u>9,500,286</u>	<u>9,500,286</u>	<u>9,500,286</u>	
Total net assets, June 30	<u>\$ 7,308,291</u>	<u>\$ 7,308,291</u>	<u>\$ 9,155,951</u>	<u>\$ 1,847,660</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
COMMUNICATIONS INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 1,617,900	\$ 1,617,900	\$ 716,097	\$ (901,803)
Total operating revenues	<u>1,617,900</u>	<u>1,617,900</u>	<u>716,097</u>	<u>(901,803)</u>
Operating expenses:				
Salaries and employee benefits	263,511	263,511	262,499	1,012
Services and supplies	391,034	391,034	249,315	141,719
Cost of stores issued	2,291,900	2,291,900	161,572	2,130,328
Depreciation	50,000	50,000	39,898	10,102
Total operating expenses	<u>2,996,445</u>	<u>2,996,445</u>	<u>713,284</u>	<u>2,283,161</u>
Operating income (loss)	<u>(1,378,545)</u>	<u>(1,378,545)</u>	<u>2,813</u>	<u>1,381,358</u>
Nonoperating revenues (expenses):				
Interest revenue	45,730	45,730	63,391	17,661
Total nonoperating revenues (expenses)	<u>45,730</u>	<u>45,730</u>	<u>63,391</u>	<u>17,661</u>
Income (loss) before contributions and operating transfers	(1,332,815)	(1,332,815)	66,204	1,399,019
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	
Changes in net assets	(832,815)	(832,815)	566,204	1,399,019
Total net assets, July 1	<u>2,538,206</u>	<u>2,538,206</u>	<u>2,538,206</u>	
Total net assets, June 30	<u>\$ 1,705,391</u>	<u>\$ 1,705,391</u>	<u>\$ 3,104,410</u>	<u>\$ 1,399,019</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
AUTOMOTIVE OPERATIONS INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 12,585,900	\$ 12,585,900	\$ 12,037,477	\$ (548,423)
Miscellaneous			66,854	66,854
Total operating revenues	<u>12,585,900</u>	<u>12,585,900</u>	<u>12,104,331</u>	<u>(481,569)</u>
Operating expenses:				
Salaries and employee benefits	3,394,509	3,394,509	3,261,266	133,243
Services and supplies	1,229,367	1,229,367	1,420,303	(190,936)
Cost of stores issued	3,098,000	3,098,000	3,237,950	(139,950)
Depreciation	3,202,001	3,202,001	2,852,663	349,338
Total operating expenses	<u>10,923,877</u>	<u>10,923,877</u>	<u>10,772,182</u>	<u>151,695</u>
Operating income (loss)	<u>1,662,023</u>	<u>1,662,023</u>	<u>1,332,149</u>	<u>(329,874)</u>
Nonoperating revenues (expenses):				
Interest revenue	374,029	374,029	409,386	35,357
Gain (loss) on sale of capital assets	100,000	100,000	280,211	180,211
Intergovernmental revenue	149,029	149,029	160,000	10,971
Total nonoperating revenues (expenses)	<u>623,058</u>	<u>623,058</u>	<u>849,597</u>	<u>226,539</u>
Income (loss) before contributions and operating transfers	2,285,081	2,285,081	2,181,746	(103,335)
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	
Changes in net assets	3,785,081	3,785,081	3,681,746	(103,335)
Total net assets, July 1	<u>26,656,797</u>	<u>26,656,797</u>	<u>26,656,797</u>	
Total net assets, June 30	<u>\$ 30,441,878</u>	<u>\$ 30,441,878</u>	<u>\$ 30,338,543</u>	<u>\$ (103,335)</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
EMPLOYEE BENEFIT INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 30,075,000	\$ 30,075,000	\$ 29,088,274	\$ (986,726)
Total operating revenues	<u>30,075,000</u>	<u>30,075,000</u>	<u>29,088,274</u>	<u>(986,726)</u>
Operating expenses:				
Salaries and employee benefits	396,177	396,177	354,285	41,892
Services and supplies	2,053,130	2,053,130	2,523,256	(470,126)
Insurance claims	23,573,075	23,573,075	18,223,013	5,350,062
Insurance premiums	3,363,000	3,363,000	3,590,047	(227,047)
Total operating expenses	<u>29,385,382</u>	<u>29,385,382</u>	<u>24,690,601</u>	<u>4,694,781</u>
Operating income (loss)	<u>689,618</u>	<u>689,618</u>	<u>4,397,673</u>	<u>3,708,055</u>
Nonoperating revenues (expenses):				
Interest revenue	841,000	841,000	718,666	(122,334)
Intergovernmental expense	(568,000)	(568,000)	(695,821)	(127,821)
Total nonoperating revenues (expenses)	<u>273,000</u>	<u>273,000</u>	<u>22,845</u>	<u>(250,155)</u>
Income (loss) before contributions and operating transfers	962,618	962,618	4,420,518	3,457,900
Transfers in	<u>                    </u>	<u>                    </u>	<u>3,000,000</u>	<u>3,000,000</u>
Changes in net assets	962,618	962,618	7,420,518	6,457,900
Total net assets, July 1	<u>15,248,743</u>	<u>15,248,743</u>	<u>15,248,743</u>	<u>                    </u>
Total net assets, June 30	<u>\$ 16,211,361</u>	<u>\$ 16,211,361</u>	<u>\$ 22,669,261</u>	<u>\$ 6,457,900</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
PERSONAL AND LIABILITY INSURANCE INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 2,332,500	\$ 2,332,500	\$ 2,009,720	\$ (322,780)
Miscellaneous			25,139	25,139
Total operating revenues	<u>2,332,500</u>	<u>2,332,500</u>	<u>2,034,859</u>	<u>(297,641)</u>
Operating expenses:				
Salaries and employee benefits	505,170	505,170	500,207	4,963
Services and supplies	352,279	352,279	484,193	(131,914)
Insurance claims	982,232	982,232	562,670	419,562
Insurance premiums	524,484	524,484	253,271	271,213
Total operating expenses	<u>2,364,165</u>	<u>2,364,165</u>	<u>1,800,341</u>	<u>563,824</u>
Operating income (loss)	<u>(31,665)</u>	<u>(31,665)</u>	<u>234,518</u>	<u>266,183</u>
Nonoperating revenues (expenses):				
Interest revenue	277,000	277,000	144,929	(132,071)
Total nonoperating revenues (expenses)	<u>277,000</u>	<u>277,000</u>	<u>144,929</u>	<u>(132,071)</u>
Changes in net assets	245,335	245,335	379,447	134,112
Total net assets, July 1	<u>8,401,780</u>	<u>8,401,780</u>	<u>8,401,780</u>	
Total net assets, June 30	<u>\$ 8,647,115</u>	<u>\$ 8,647,115</u>	<u>\$ 8,781,227</u>	<u>\$ 134,112</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 FIRE EQUIPMENT ACQUISITION INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 1,790,882	\$ 490,882
Total operating revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,790,882</u>	<u>490,882</u>
Operating expenses:				
Depreciation	1,544,714	1,544,714	690,752	853,962
Total operating expenses	<u>1,544,714</u>	<u>1,544,714</u>	<u>690,752</u>	<u>853,962</u>
Operating income (loss)	<u>(244,714)</u>	<u>(244,714)</u>	<u>1,100,130</u>	<u>1,344,844</u>
Nonoperating revenues (expenses):				
Interest revenue	91,416	91,416	85,136	(6,280)
Gain (loss) on sale of capital assets			47,089	47,089
Total nonoperating revenues (expenses)	<u>91,416</u>	<u>91,416</u>	<u>132,225</u>	<u>40,809</u>
Income (loss) before contributions and operating transfers	(153,298)	(153,298)	1,232,355	1,385,653
Transfers in			<u>281,077</u>	<u>281,077</u>
Changes in net assets	(153,298)	(153,298)	1,513,432	1,666,730
Total net assets, July 1	<u>5,775,710</u>	<u>5,775,710</u>	<u>5,775,710</u>	
Total net assets, June 30	<u>\$ 5,622,412</u>	<u>\$ 5,622,412</u>	<u>\$ 7,289,142</u>	<u>\$ 1,666,730</u>

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
 MISCELLANEOUS STORES INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 1,295,000	\$ 1,295,000	\$ 79,382	\$ (1,215,618)
Miscellaneous			<u>15,068</u>	<u>15,068</u>
Total operating revenues	<u>1,295,000</u>	<u>1,295,000</u>	<u>94,450</u>	<u>(1,200,550)</u>
Operating expenses:				
Services and supplies	20,000	20,000	39,550	(19,550)
Cost of stores issued	<u>1,275,000</u>	<u>1,275,000</u>	<u>95,667</u>	<u>1,179,333</u>
Total operating expenses	<u>1,295,000</u>	<u>1,295,000</u>	<u>135,217</u>	<u>1,159,783</u>
Operating income (loss)	<u>0</u>	<u>0</u>	<u>(40,767)</u>	<u>(40,767)</u>
Changes in net assets	0	0	(40,767)	(40,767)
Total net assets, July 1	<u>651,973</u>	<u>651,973</u>	<u>651,973</u>	
Total net assets, June 30	<u>\$ 651,973</u>	<u>\$ 651,973</u>	<u>\$ 611,206</u>	<u>\$ (40,767)</u>

See accompanying independent auditors' report.

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# Fiduciary Funds



## **Fiduciary Funds**

### **AGENCY FUNDS**

**Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. These funds are custodial in nature and do not involve measurement of operations. Agency Funds are merely clearing accounts and have no fund equity.**

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Deposits Fund—This fund is used to account for the collection and disbursement of monies deposited with the City. Monies collected and disbursed from this fund include room tax, local gaming tax, payroll deductions, unclaimed monies, water planning fees and various other deposits.

Municipal Court Bail Fund—This fund is used to account for the collection and disbursement of monies deposited by individuals awaiting trial and final adjudication of the charges filed against them.

Developer Special Assessment Fund—This fund is used to account for the debt service, collection of assessments and arbitrage payments for developer special improvement districts on behalf of the property owners. The City is not obligated in any manner for the debt and is only acting as an agent for the assessed property owners and the bondholders.

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2006

	AGENCY	
	Deposits	Municipal Court Bail
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,268,516	\$ 3,361,419
Receivables (net of allowances for uncollectibles):		
Interest		
Salary advances	278	
Total assets	\$ 5,268,794	\$ 3,361,419
 <b>LIABILITIES</b>		
Accounts payable	\$	\$
Deposits payable	2,330,142	
Intergovernmental payable	2,202,560	506,652
Payroll liabilities payable	286,107	
Outstanding bail payable		2,854,767
Unclaimed monies payable	449,985	
Arbitrage rebate payable		
Total liabilities	\$ 5,268,794	\$ 3,361,419

FUNDS

<u>Developer Special Assessment</u>	<u>Totals</u>
\$ 22,404,868	\$ 31,034,803
57,036	57,036
<u>22,461,904</u>	<u>31,092,117</u>

\$ 4,847	\$ 4,847
22,223,523	24,553,665
	2,709,212
	286,107
	2,854,767
	449,985
<u>233,534</u>	<u>233,534</u>
\$ <u>22,461,904</u>	\$ <u>31,092,117</u>

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - ALL AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>DEPOSITS FUND:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,189,746	\$ 250,504,089	\$ 250,425,319	\$ 5,268,516
Salary advances	14,054	70,258	84,034	278
Total assets	<u>\$ 5,203,800</u>	<u>\$ 250,574,347</u>	<u>\$ 250,509,353</u>	<u>\$ 5,268,794</u>
<b>LIABILITIES</b>				
Accounts payable	\$	\$ 20,084,353	\$ 20,084,353	\$
Deposits payable	2,349,423	927,851	947,132	2,330,142
Intergovernmental payable	2,359,740	40,489,415	40,646,595	2,202,560
Payroll liabilities payable	174,490	437,337,646	437,226,029	286,107
Unclaimed monies payable	320,147	300,579	170,741	449,985
Total liabilities	<u>\$ 5,203,800</u>	<u>\$ 499,139,844</u>	<u>\$ 499,074,850</u>	<u>\$ 5,268,794</u>
<b>MUNICIPAL COURT BAIL FUND:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,616,417	\$ 13,726,701	\$ 12,981,699	\$ 3,361,419
Total assets	<u>\$ 2,616,417</u>	<u>\$ 13,726,701</u>	<u>\$ 12,981,699</u>	<u>\$ 3,361,419</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 21	\$ 7,496,886	\$ 7,496,907	\$
Intergovernmental payable	473,885	7,812,523	7,779,756	506,652
Outstanding bail payable	2,142,511	8,408,553	7,696,297	2,854,767
Total liabilities	<u>\$ 2,616,417</u>	<u>\$ 23,717,962</u>	<u>\$ 22,972,960</u>	<u>\$ 3,361,419</u>
<b>CALIFORNIA-NEVADA SUPER SPEED GROUND TRANSPORTATION COMMISSION FUND:</b>				
<b>ASSETS</b>				
Intergovernmental receivable	\$ 503	\$	\$ 503	\$
Total assets	<u>\$ 503</u>	<u>\$ 0</u>	<u>\$ 503</u>	<u>\$ 0</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 503	\$	\$ 503	\$
Total liabilities	<u>\$ 503</u>	<u>\$ 0</u>	<u>\$ 503</u>	<u>\$ 0</u>

See accompanying independent auditor's report.

Continued

CITY OF LAS VEGAS, NEVADA  
STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - ALL AGENCY FUNDS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<b>DEVELOPER SPECIAL ASSESSMENT FUND:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,772,499	\$ 51,832,887	\$ 51,200,518	\$ 22,404,868
Interest receivable	30,676	57,036	30,676	57,036
Total assets	\$ 21,803,175	\$ 51,889,923	\$ 51,231,194	\$ 22,461,904
<b>LIABILITIES</b>				
Accounts payable	\$	\$ 299,573	\$ 294,726	\$ 4,847
Due to other funds	326,335		326,335	
Deposits payable	21,356,872	26,762,070	25,895,419	22,223,523
Arbitrage rebate payable	119,968	113,566		233,534
Total liabilities	\$ 21,803,175	\$ 27,175,209	\$ 26,516,480	\$ 22,461,904
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,578,662	\$ 316,063,677	\$ 314,607,536	\$ 31,034,803
Interest receivable	30,676	57,036	30,676	57,036
Intergovernmental receivable	503		503	
Salary advances	14,054	70,258	84,034	278
Total assets	\$ 29,623,895	\$ 316,190,971	\$ 314,722,749	\$ 31,092,117
<b>LIABILITIES</b>				
Accounts payable	\$ 21	\$ 27,880,812	\$ 27,875,986	\$ 4,847
Due to other funds	326,838		326,838	
Deposits payable	23,706,295	27,689,921	26,842,551	24,553,665
Intergovernmental payable	2,833,625	48,301,938	48,426,351	2,709,212
Payroll liabilities payable	174,490	437,337,646	437,226,029	286,107
Outstanding bail payable	2,142,511	8,408,553	7,696,297	2,854,767
Unclaimed monies payable	320,147	300,579	170,741	449,985
Arbitrage rebate payable	119,968	113,566		233,534
Total liabilities	\$ 29,623,895	\$ 550,033,015	\$ 548,564,793	\$ 31,092,117

See accompanying independent auditor's report.

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# Governmental Capital Assets



CITY OF LAS VEGAS, NEVADA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE  
JUNE 30, 2006

	2006	2005
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 845,276,020	\$ 842,965,034
Land improvements	162,853,259	154,749,580
Buildings	171,131,503	166,804,298
Building improvements	71,375,877	66,288,142
Machinery and equipment	31,390,263	32,571,124
Vehicles	11,703,513	11,703,513
Roadways	972,959,390	866,162,253
Traffic signals and lighting	142,521,622	134,765,120
Traffic signage	892,800	676,843
Traffic pavement markers	1,258,454	1,145,863
Storm drainage	466,068,215	416,300,913
Construction in progress	184,821,953	222,002,671
	\$ 3,062,252,869	\$ 2,916,135,354
 <b>INVESTMENTS IN GOVERNMENTAL FUNDS</b>		
<b>CAPITAL ASSETS BY SOURCE</b>		
General obligation bonds	\$ 205,179,009	\$ 193,554,486
Current revenues	2,635,515,942	2,547,298,483
Federal grants	29,715,174	20,405,935
State grants	1,105,400	1,105,400
Donations	188,956,871	151,990,577
Property transfer	1,780,473	1,780,473
	\$ 3,062,252,869	\$ 2,916,135,354

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

See accompanying independent auditors' report.

CITY OF LAS VEGAS, NEVADA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2006

Function and Activity	Land	Land Improvements	Buildings
General government:			
Legislative and elections	\$	\$	\$
Executive		90,400	
Financial administration		13,410	854,758
Other	5,731,208	511,536	36,348,724
Total general government	<u>5,731,208</u>	<u>615,346</u>	<u>37,203,482</u>
Judicial:			
Alternative sentencing and education			
Municipal courts		252,773	192,629
Public defender			81,200
Total judicial	<u>0</u>	<u>252,773</u>	<u>273,829</u>
Public safety:			
Police	50,000	644,148	6,357,938
Fire	1,932,398	6,400,508	39,026,765
Corrections		259,278	11,262,137
Protective inspections			
Other protection	270,107		2,950,945
Total public safety	<u>2,252,505</u>	<u>7,303,934</u>	<u>59,597,785</u>
Public works:			
Administration and engineering	3,483,549	872,610	2,268,892
Engineering	2,831,157	20,998	
Paved streets	772,689,855	89,263	
Special assessments	118,636	981,538	
Storm drainage	76,288		
Total public works	<u>779,199,485</u>	<u>1,964,409</u>	<u>2,268,892</u>
Health:			
Animal control		84,137	385,167
Cemetery	23,810	1,186,864	43,221
Public health administration			
Total health	<u>23,810</u>	<u>1,271,001</u>	<u>428,388</u>
Culture and recreation:			
Culture and recreation administration		21,125	107,518
Participant recreation	5,555,282	8,482,057	31,044,862
Spectator recreation	331,981		2,754,049
Parks	10,185,021	138,793,151	2,103,303
Senior citizens	2,500	1,227,073	2,182,054
Total culture and recreation	<u>16,074,784</u>	<u>148,523,406</u>	<u>38,191,786</u>
Economic development and assistance:			
Administration			
Urban redevelopment	32,271,220	434,212	24,242,540
Community action programs			23,893
Economic development and assistance	3,802,408	6,073	1,089,918
Housing	4,344,812		
Neighborhood services	1,574,788	2,086,998	7,810,990
Total economic development and assistance	<u>41,993,228</u>	<u>2,527,283</u>	<u>33,167,341</u>
Transit systems:			
Transportation services	1,000	395,107	
Total governmental funds capital assets	<u>\$ 845,276,020</u>	<u>\$ 162,853,259</u>	<u>\$ 171,131,503</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

<u>Building Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Roadways</u>	<u>Traffic Signals and Lighting</u>	<u>Traffic Signage</u>
\$ 70,520	\$	\$	\$	\$	\$
722,017	265,635				
22,814	312,266				
20,896,289	21,258,070	9,370			
<u>21,711,640</u>	<u>21,835,971</u>	<u>9,370</u>	<u>0</u>	<u>0</u>	<u>0</u>
37,965					
66,031	8,192				
6,391					
<u>110,387</u>	<u>8,192</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
206,459	292,244				
5,043,304	5,512,921	11,670,677			
15,527,568	1,637,568				
5,226					
687,343	250,090		649,169	142,458,571	892,800
<u>21,469,900</u>	<u>7,692,823</u>	<u>11,670,677</u>	<u>649,169</u>	<u>142,458,571</u>	<u>892,800</u>
1,849,561	16,462				
3,542	633,618				
83,567			966,601,801	42,548	
			5,540,312	1,027	
			14,962		
<u>1,936,670</u>	<u>650,080</u>	<u>0</u>	<u>972,157,075</u>	<u>43,575</u>	<u>0</u>
9,834					
	5,719				
<u>9,834</u>	<u>5,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
38,373	67,977				
20,589,977	252,337				
1,351,177	554,438	23,466			
1,386,667	163,512				
1,000,769					
<u>24,366,963</u>	<u>1,038,264</u>	<u>23,466</u>	<u>0</u>	<u>0</u>	<u>0</u>
4,414					
12,673	118,884				
73,026	5,545			19,476	
	7,199		153,146		
1,680,370	27,586				
<u>1,770,483</u>	<u>159,214</u>	<u>0</u>	<u>153,146</u>	<u>19,476</u>	<u>0</u>
<u>\$ 71,375,877</u>	<u>\$ 31,390,263</u>	<u>\$ 11,703,513</u>	<u>\$ 972,959,390</u>	<u>\$ 142,521,622</u>	<u>\$ 892,800</u>

CITY OF LAS VEGAS, NEVADA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY (continued)

Function and Activity	Traffic Pavement Markers	Storm Drainage	Construction in Progress	Total
General government:				
Legislative and elections	\$	\$	\$	\$ 70,520
Executive				1,078,052
Financial administration				1,203,248
Other			14,192,072	98,947,269
Total general government	<u>0</u>	<u>0</u>	<u>14,192,072</u>	<u>101,299,089</u>
Judicial:				
Alternative sentencing and education				37,965
Municipal courts				519,625
Public defender				87,591
	<u>0</u>	<u>0</u>	<u>0</u>	<u>645,181</u>
Public safety:				
Police			11,001	7,561,790
Fire			881,192	70,467,765
Corrections			5,900	28,692,451
Protective inspections				5,226
Other protection	1,258,454		8,369,075	157,786,554
Total public safety	<u>1,258,454</u>	<u>0</u>	<u>9,267,168</u>	<u>264,513,786</u>
Public works:				
Administration and engineering				8,491,074
Engineering		395,771,636		399,260,951
Paved streets			24,244,094	1,763,751,128
Special assessments			38,825,905	45,467,418
Storm drainage		70,296,579	7,183,855	77,571,684
Total public works	<u>0</u>	<u>466,068,215</u>	<u>70,253,854</u>	<u>2,294,542,255</u>
Health:				
Animal control				469,304
Cemetery				1,263,729
Public health administration				5,719
Total health	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,738,752</u>
Culture and recreation:				
Culture and recreation administration				234,993
Participant recreation			23,886,059	89,810,574
Spectator recreation				5,015,111
Parks			58,805,056	211,436,710
Senior citizens			100	4,412,496
Total culture and recreation	<u>0</u>	<u>0</u>	<u>82,691,215</u>	<u>310,909,884</u>
Economic development and assistance:				
Administration				4,414
Urban redevelopment			8,417,644	65,497,173
Community action programs				23,893
Economic development and assistance				4,996,446
Housing				4,505,157
Neighborhood services				13,180,732
Total economic development and assistance	<u>0</u>	<u>0</u>	<u>8,417,644</u>	<u>88,207,815</u>
Transit systems:				
Transportation services				396,107
Total governmental funds capital assets	<u>\$ 1,258,454</u>	<u>\$ 466,068,215</u>	<u>\$ 184,821,953</u>	<u>\$ 3,062,252,869</u>

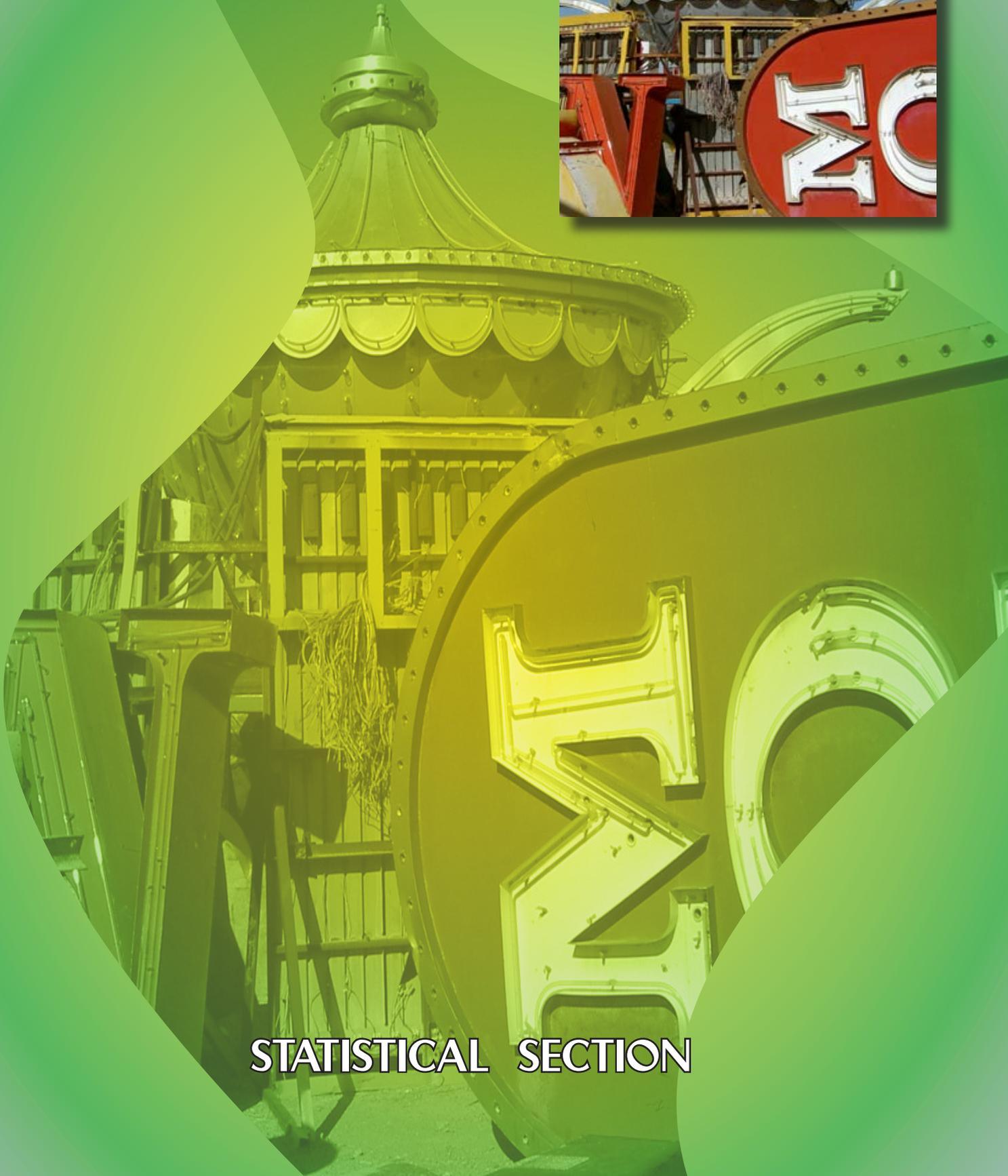
This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF LAS VEGAS, NEVADA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
JUNE 30, 2006

Function and Activity	General Fixed Assets July 1, 2005	Additions	Deletions	General Fixed Assets June 30, 2006
General government:				
Legislative and elections	\$ 70,520	\$	\$	\$ 70,520
Executive	1,078,052			1,078,052
Financial administration	1,213,100	18,871	28,723	1,203,248
Other	89,175,416	11,542,599	1,770,746	98,947,269
Total general government	<u>91,537,088</u>	<u>11,561,470</u>	<u>1,799,469</u>	<u>101,299,089</u>
Judicial:				
Alternative sentencing and education	147,637		109,672	37,965
Municipal courts	818,851		299,226	519,625
Public defender	87,591			87,591
Total judicial	<u>1,054,079</u>	<u>0</u>	<u>408,898</u>	<u>645,181</u>
Public safety:				
Police	7,519,483	42,307		7,561,790
Fire	67,496,659	3,180,025	208,919	70,467,765
Corrections	26,751,193	2,012,057	70,799	28,692,451
Protective inspections	5,226			5,226
Other protection	151,451,837	6,495,924	161,207	157,786,554
Total public safety	<u>253,224,398</u>	<u>11,730,313</u>	<u>440,925</u>	<u>264,513,786</u>
Public works:				
Administration and engineering	8,496,194		5,120	8,491,074
Engineering	390,621,017	8,771,939	132,005	399,260,951
Paved streets	1,709,259,420	54,491,708		1,763,751,128
Special assessments	44,022,481	1,444,937		45,467,418
Storm drainage	59,658,556	17,913,128		77,571,684
Total public works	<u>2,212,057,668</u>	<u>82,621,712</u>	<u>137,125</u>	<u>2,294,542,255</u>
Health:				
Animal control	469,304			469,304
Cemetery	1,263,729			1,263,729
Public health administration		5,719		5,719
Total health	<u>1,733,033</u>	<u>5,719</u>	<u>0</u>	<u>1,738,752</u>
Culture and recreation:				
Culture and recreation administration	234,993			234,993
Participant recreation	73,265,918	16,622,169	77,513	89,810,574
Spectator recreation	4,936,821	78,290		5,015,111
Parks	189,024,567	22,607,001	194,858	211,436,710
Senior citizens	4,021,207	391,289		4,412,496
Total culture and recreation	<u>271,483,506</u>	<u>39,698,749</u>	<u>272,371</u>	<u>310,909,884</u>
Economic development and assistance:				
Administration	4,414			4,414
Urban redevelopment	62,267,735	3,229,438		65,497,173
Community action programs	23,893			23,893
Economic development and assistance	4,994,618	11,828	10,000	4,996,446
Housing	4,242,757	262,400		4,505,157
Neighborhood services	13,116,058	64,674		13,180,732
Total economic development and assistance	<u>84,649,475</u>	<u>3,568,340</u>	<u>10,000</u>	<u>88,207,815</u>
Transit systems:				
Transportation services	396,107			396,107
Total governmental funds capital assets	<u>\$ 2,916,135,354</u>	<u>\$ 149,186,303</u>	<u>\$ 3,068,788</u>	<u>\$ 3,062,252,869</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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**STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the City of Las Vegas' Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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### Financial Trends

These schedules contain trend information to help the reader understand how the City of Las Vegas' financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the City of Las Vegas' most significant local revenue source, the consolidated tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City of Las Vegas' current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City of Las Vegas' financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Las Vegas  
Net Assets by Component  
Last Five Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

		Fiscal Year				
		2002	2003	2004	2005	2006
<b>Governmental activities</b>						
	Invested in capital assets, net of related debt	\$ 289,380	\$ 1,964,782	\$ 2,034,344	\$ 2,139,939	\$ 2,242,516
	Restricted	13,176	10,059	40,188	49,685	111,683
	Unrestricted	324,354	315,752	329,592	342,253	320,472
	Total governmental activities net assets	<u>\$ 626,910</u>	<u>\$ 2,290,593</u>	<u>\$ 2,404,124</u>	<u>\$ 2,531,877</u>	<u>\$ 2,674,671</u>
<b>Business-type activities</b>						
	Invested in capital assets, net of related debt	\$ 334,228	\$ 370,688	\$ 381,553	\$ 407,002	\$ 420,323
	Restricted	65,685	24,709	59,227	71,825	120,956
	Unrestricted	399,913	20,609	440,780	478,827	541,279
	Total business-type activities net assets	<u>\$ 399,913</u>	<u>\$ 416,006</u>	<u>\$ 440,780</u>	<u>\$ 478,827</u>	<u>\$ 541,279</u>
<b>Primary government</b>						
	Invested in capital assets, net of related debt	\$ 623,608	\$ 2,335,470	\$ 2,415,897	\$ 2,546,941	\$ 2,662,839
	Restricted	13,176	34,768	40,188	49,685	111,683
	Unrestricted	390,039	336,361	388,819	414,078	441,428
	Total primary government net assets	<u>\$ 1,026,823</u>	<u>\$ 2,706,599</u>	<u>\$ 2,844,904</u>	<u>\$ 3,010,704</u>	<u>\$ 3,215,950</u>

City of Las Vegas  
Changes in Net Assets  
Last Five Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Expenses</b>					
Governmental activities:					
General government	\$ 68,626	\$ 75,783	\$ 82,004	\$ 94,605	\$ 98,032
Judicial	15,469	15,218	20,793	21,160	23,508
Public safety	187,889	214,475	247,906	270,216	286,805
Public works	13,925	62,877	59,496	63,384	92,056
Sanitation			108	147	
Welfare	753	725	882	927	1,000
Health	2,104	2,262	2,549	2,507	2,633
Culture and recreation	36,189	39,000	44,789	49,461	52,120
Economic development and assistance	15,977	14,901	23,848	23,682	19,889
Intergovernmental	6,342	2,587	9,640		
Transit systems	964	1,111	1,206	1,463	1,278
Interest on long-term debt	10,767	9,192	10,025	10,388	10,193
Total governmental activities expenses	<u>359,005</u>	<u>438,131</u>	<u>503,246</u>	<u>537,940</u>	<u>587,514</u>
Business-type activities:					
Sanitation	55,613	61,980	65,043	70,287	71,096
Development services	11,724	11,981	13,674	14,477	15,108
Parking	3,988	4,109	5,373	3,689	4,008
Golf course	663	2,776	3,518	2,969	3,016
Video production	1,326	1,309	1,329	1,354	1,584
Land development	516	689	4,999	942	424
Total business-type activities	<u>73,830</u>	<u>82,844</u>	<u>93,936</u>	<u>93,718</u>	<u>95,236</u>
Total primary government expenses	<u>\$ 432,835</u>	<u>\$ 520,975</u>	<u>\$ 597,182</u>	<u>\$ 631,658</u>	<u>\$ 682,750</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 33,481	\$ 69,874	\$ 83,252	\$ 91,700	\$ 105,230
Judicial	16,264	16,894	18,178	19,003	20,759
Public safety	13,490	14,068	19,238	19,243	20,476
Public works	5,700	8,415	52,478	10,849	10,014
Welfare	22	268	31	281	33
Health	145	141	114	123	129
Culture and recreation	6,167	7,446	8,319	9,769	10,861
Economic development and assistance	2,513	851	1,163	1,452	3,464
Intergovernmental	953	953	631		
Transit systems	651	874	909	516	509
Operating grants and contributions	8,841	9,848	15,851	17,260	8,092
Capital grants and contributions	107,147	113,173	85,706	118,913	133,210
Total governmental activities program revenues	<u>195,374</u>	<u>242,805</u>	<u>285,870</u>	<u>289,109</u>	<u>312,777</u>

City of Las Vegas  
Changes in Net Assets  
Last Five Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Sanitation	46,448	48,876	55,189	69,237	79,788
Development services	12,292	14,360	19,532	15,165	18,910
Parking	4,756	5,404	5,766	6,053	6,359
Golf course	11	793	1,202	1,515	1,433
Video production	1,451	1,526	1,662	1,784	1,891
Land development	18	33	28	130	81
Operating grants and contributions	47	42	157	179	382
Capital grants and contributions	29,595	25,461	37,705	37,255	40,707
Total business-type activities program revenues	<u>94,618</u>	<u>96,495</u>	<u>121,241</u>	<u>131,318</u>	<u>149,551</u>
Total primary government program revenues	<u>\$ 289,992</u>	<u>\$ 339,300</u>	<u>\$ 407,111</u>	<u>\$ 420,427</u>	<u>\$ 462,328</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (163,631)	\$ (195,326)	\$ (217,376)	\$ (248,831)	\$ (274,737)
Business-type activities	<u>20,788</u>	<u>13,651</u>	<u>27,305</u>	<u>37,600</u>	<u>54,315</u>
Total primary government net expense	<u>\$ (142,843)</u>	<u>\$ (181,675)</u>	<u>\$ (190,071)</u>	<u>\$ (211,231)</u>	<u>\$ (220,422)</u>
<b>General Revenues and Other Changes in</b>					
<b>Net Assets</b>					
Governmental activities:					
Taxes					
Consolidated tax	\$ 167,791	\$ 179,330	\$ 206,944	\$ 238,041	\$ 264,253
Property taxes	83,887	91,105	99,344	109,166	120,803
Room tax	2,907	2,990	3,419	3,906	4,109
Residential construction tax	2,822	3,570	5,710	2,416	4,034
Franchise fees	40,839				
Motor vehicle fuel tax	7,304	7,499	8,172	8,103	8,794
Unrestricted investment earnings	16,896	8,432	2,866	11,009	13,074
Gain on disposal of capital assets	391	2,688	1,171	2,485	1,170
Transfers	<u>8,944</u>	<u>(155)</u>	<u>3,282</u>	<u>1,462</u>	<u>1,293</u>
Total governmental activities	<u>331,781</u>	<u>295,459</u>	<u>330,908</u>	<u>376,588</u>	<u>417,530</u>
Business-type activities:					
Unrestricted investment earnings	3,628	2,285	753	1,907	2,744
Gain on disposal of capital assets					6,687
Transfers	<u>(8,944)</u>	<u>155</u>	<u>(3,282)</u>	<u>(1,462)</u>	<u>(1,293)</u>
Total business-type activities	<u>(5,316)</u>	<u>2,440</u>	<u>(2,529)</u>	<u>445</u>	<u>8,138</u>
Total primary government	<u>\$ 326,465</u>	<u>\$ 297,899</u>	<u>\$ 328,379</u>	<u>\$ 377,033</u>	<u>\$ 425,668</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 168,150	\$ 100,133	\$ 113,532	\$ 127,757	\$ 142,793
Business-type activities	<u>15,472</u>	<u>16,091</u>	<u>24,776</u>	<u>38,045</u>	<u>62,453</u>
Total primary government	<u>\$ 183,622</u>	<u>\$ 116,224</u>	<u>\$ 138,308</u>	<u>\$ 165,802</u>	<u>\$ 205,246</u>

City of Las Vegas  
 Governmental Activities Tax Revenues by Source  
 Last Five Fiscal Years  
 (Accrual Basis of Accounting)  
 (Unaudited)  
 (Amounts Expressed in Thousands)

Fiscal Year	Consolidated Tax	Property Tax	Room Tax	Residential Tax	Motor Vehicle Fuel Tax	Total
2002	\$ 167,791	\$ 83,887	\$ 2,907	\$ 2,822	\$ 7,304	\$ 264,711
2003	179,330	91,105	2,990	3,570	7,499	284,494
2004	206,944	99,344	3,419	5,710	8,172	323,589
2005	238,041	109,166	3,906	2,416	8,103	361,632
2006	264,253	120,803	4,109	4,034	8,794	401,993

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Notes:

Values pertaining to the City of Las Vegas Redevelopment Agency have not been included in the above schedule in accordance with the City of Las Vegas Charter.

Calculation for 2002 and future data from the Ad Valorem Tax Collections and Summary of Real Estate Taxes Receivable due to the implementation of GASB 34.

City of Las Vegas  
Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

		Fiscal Year				
		2002	2003	2004	2005	2006
General fund						
Reserved	\$	3,268	6,564	6,054	4,899	4,911
Unreserved		56,938	49,921	56,625	69,378	92,789
Total general fund	\$	<u>60,206</u>	<u>56,485</u>	<u>62,679</u>	<u>74,277</u>	<u>97,700</u>
All other governmental funds						
Reserved	\$	15,321	14,212	13,538	19,136	12,778
Unreserved						
Designated						
Redevelopment projects		10,381	7,845			
Special revenue funds			19,294	29,484	36,285	51,866
Capital projects funds		203,469	162,151	229,192	234,805	262,107
Undesignated						
Other governmental funds		36,924	54,568			
Special revenue funds				48,697	50,063	57,963
Debt service funds				4,366	1,150	2,970
Total all other governmental funds	\$	<u>266,095</u>	<u>258,070</u>	<u>325,277</u>	<u>341,439</u>	<u>387,684</u>

City of Las Vegas  
Changes in Fund Balances of Governmental Funds  
Last Five Fiscal Years (continued)  
(Modified Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Taxes	\$ 88,464	\$ 97,308	\$ 109,135	\$ 115,716	\$ 128,794
Licenses and permits	60,092	60,206	64,749	74,499	78,652
Intergovernmental	246,441	271,649	294,595	345,995	395,115
Charges for services	33,258	33,975	37,979	34,515	37,867
Special assessments	2,259	7,431	46,550	3,228	4,104
Fines and forfeits	11,274	11,999	13,675	14,183	15,176
Interest	14,407	6,835	2,221	8,973	11,004
Miscellaneous	7,836	6,779	5,862	5,736	7,691
Total revenues	<u>464,031</u>	<u>496,182</u>	<u>574,766</u>	<u>602,845</u>	<u>678,403</u>
<b>Expenditures</b>					
General government	63,282	69,971	71,282	83,685	87,997
Judicial	15,638	15,191	20,413	20,964	23,328
Public safety	178,056	209,261	233,998	255,428	272,480
Public works	13,623	14,269	25,605	28,786	55,633
Sanitation			108	147	
Welfare	810	746	906	981	1,008
Health	2,079	2,278	2,503	2,422	2,634
Culture and recreation	31,792	34,584	38,671	42,445	44,640
Economic development and assistance	13,644	14,170	21,507	18,655	18,980
Intergovernmental	6,342	2,587	9,676		
Transit systems	1,042	1,107	1,233	1,547	1,290
Capital outlay	143,982	133,124	100,624	116,065	112,210
Debt service					
Principal retirement	13,855	14,776	18,082	23,108	25,235
Interest and fiscal charges	10,639	10,112	9,372	10,145	9,740
Other charges					
Total expenditures	<u>494,784</u>	<u>522,176</u>	<u>553,980</u>	<u>604,378</u>	<u>655,175</u>
Excess of revenues over (under) expenditures	(30,753)	(25,994)	20,786	(1,533)	23,228

City of Las Vegas  
Changes in Fund Balances of Governmental Funds  
Last Five Fiscal Years (continued)  
(Modified Accrual Basis of Accounting)  
(Unaudited)  
(Amounts Expressed in Thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Other financing sources (uses)</b>					
Transfers in	87,248	73,518	84,236	96,338	100,861
Transfers out	(78,159)	(73,896)	(81,309)	(98,898)	(104,895)
Sale of capital assets	447	3,544	1,126	2,982	1,447
Bond escrow refunding defease debt		(50,996)			(44,505)
Local improvement bond proceeds		8,956			
Transfer of land for resale				5,254	
General obligation bond proceeds		51,562	47,000	21,975	93,532
Issuance costs			(276)		
Premium			358	625	
Loan proceeds	291	1,563			
Special assessment bonds & interim warrants			1,481	1,016	
Total other financing sources (uses)	<u>9,827</u>	<u>14,251</u>	<u>52,616</u>	<u>29,292</u>	<u>46,440</u>
Net changes in fund balances	<u>\$ (20,926)</u>	<u>\$ (11,743)</u>	<u>\$ 73,402</u>	<u>\$ 27,759</u>	<u>\$ 69,668</u>
Debt service as a percentage of noncapital capital expenditures	0.11%	14.55%	6.38%	10.06%	7.96%

City of Las Vegas  
 General Government Tax Revenues by Source  
 Last Five Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)  
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Consolidated Tax</u>	<u>Property Tax</u>	<u>Room Tax</u>	<u>Residential Construction Tax</u>	<u>Motor Vehicle Fuel Tax</u>
2002	167,791	83,887	2,907	2,822	7,304
2003	179,330	91,105	2,990	3,570	7,499
2004	206,944	99,344	3,419	5,710	8,172
2005	238,041	109,166	3,906	2,416	8,103
2006	264,253	120,803	4,109	4,034	8,794

City of Las Vegas  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Five Fiscal Years  
 (Unaudited)  
 (Amounts Expressed in Thousands)

Fiscal Year Ended June 30	Real Property				Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>2</sup>	Assessed Value as a Percentage of Actual Value
	Residential Property	Industrial Property	Commercial Property	Vacant <sup>1</sup>	Unsecured Personal Prop Tax Roll	Less: Tax Exempt Real Property				
2004	\$ 8,013,151	\$ 134,868	\$ 3,011,903	\$ 907,226	\$ 588,817	\$ 1,256,564	\$ 11,399,401	\$ 3.2877	\$ 32,569,717	38.86%
2005	8,816,296	137,198	3,230,634	1,327,435	544,456	1,497,522	12,558,497	3.3002	35,881,420	39.17%
2006	12,078,765	150,423	3,647,636	2,100,483	570,026	1,874,915	16,672,418	3.2812	47,635,480	38.94%

Source: Clark County Assessor's Office

Notes:

<sup>1</sup> Vacant parcels include those with minor improvements.

<sup>2</sup> Estimated Taxable Actual Value is calculated by dividing Assessed Value by the current 35% tax rate.

City of Las Vegas  
Property Tax Rates  
Direct and Overlapping Governments  
Last Five Fiscal Years  
(Unaudited)

Fiscal Year	City of Las Vegas			County			School District		State	Special Districts	Total Direct & Overlapping Rates
	<sup>1</sup> Operating	Debt Service	Total City	Operating	Debt Service	<sup>2</sup> Total County	Operating	Total School	Total State		
2002	0.7715	0.0102	0.7817	0.6352		0.6352	1.3034	1.3034	0.1500	0.3843	3.2546
2003	0.7715	0.0094	0.7809	0.6352		0.6352	1.3034	1.3034	0.1500	0.3819	3.2514
2004	0.7715	0.0081	0.7796	0.6502		0.6502	1.3034	1.3034	0.1700	0.3845	3.2877
2005	0.7715	0.0077	0.7792	0.6312	0.0340	0.6652	1.3034	1.3034	0.1700	0.3824	3.3002
2006	0.7715	0.0059	0.7774	0.6312	0.0263	0.6575	1.3034	1.3034	0.1700	0.3788	3.2871

Notes:

<sup>1</sup> City of Las Vegas operating tax rate includes .0950 Fire initiative tax which is distributed at 80% operating and 20% capital.

<sup>2</sup> Includes the family court levy. The State accident indigent rate of \$0.0150, if levied, is included in this rate. Per Clark County budget book.

City of Las Vegas  
Principal Property Taxpayers  
June 30, 2006  
(Unaudited)  
(Amounts Expressed in Thousands)

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Taxpayer	2006			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
General Growth Properties	\$ 658,515	1	3.95%	\$		
Boyd Gaming Corporation	108,336	2	0.65%	46,495	7	0.49%
Stratosphere Corporation	90,935	3	0.55%	44,890	8	0.47%
Station Casinos Incorporated	86,808	4	0.52%	56,808	4	0.60%
Camden Property Trust	85,752	5	0.51%			
Universal Health Services Inc.	66,379	6	0.40%			
Pulte Homes	62,819	7	0.38%			
G. N. L. V. Corporation	62,081	8	0.37%			
Tamares Group	55,026	9	0.33%			
Central Telephone Company	54,573	10	0.33%	72,930	3	0.77%
Olen Residential Realty Corp	40,848	11	0.25%	39,542	9	0.42%
KB Home Nevada Incorporated	38,531	12	0.23%			
F.S. Rouse Limited Liability Corp				131,058	1	1.38%
Sierra-Nevada Multifamily Investments				87,027	2	0.92%
MGM Mirage				56,370	5	0.59%
Coast Resorts Inc.				47,261	6	0.50%
Citigroup				35,397	10	0.37%
Resort at Summerlin Ltd Partnership				34,405	11	0.36%
HCA - The Healthcare Company				30,401	12	0.32%
Totals	\$ <u>1,410,603</u>			\$ <u>682,584</u>		

Source: Clark County Assessor - Official Reports

City of Las Vegas  
Property Tax Levies and Collections  
Last Five Fiscal Years  
(Unaudited)  
(Amounts Expressed in Thousands)

Fiscal Year Ended June 30	<sup>1</sup> Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections of Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Current Year Levy
2002	\$ 68,596	\$ 67,763	98.79%	\$ 1,065	\$ 68,828	100.34%
2003	77,722	76,713	98.70%	838	77,551	99.78%
2004	84,104	83,440	99.21%	1,132	84,572	100.56%
2005	92,655	92,069	99.37%	691	92,760	100.11%
2006	102,211	101,486	99.29%	584	102,070	99.86%

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Notes:

<sup>1</sup>Levy does not include personal property.

Values pertaining to the City of Las Vegas Redevelopment Agency have not been included in the above schedule in accordance with the City of Las Vegas Charter.

Calculation for 2002 and future data from the Ad Valorem Tax Collections and Summary of Real Estate Taxes Receivable due to the implementation of GASB 34.

City of Las Vegas  
Ratios of Outstanding Debt by Type  
Last Five Fiscal Years  
(Unaudited)  
(Amounts Expressed in Thousands)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	<sup>1</sup> Percentage of Personal Income	<sup>1</sup> Per Capita
	<sup>2</sup> General Obligation Bonds	Special Assessment Bonds	Sanitation Bonds	<sup>3</sup> Other Bonds			
2002	\$ 144,100	\$ 2,501	\$ 149,580	\$ 12,000	\$ 308,181	6.91%	\$ 599
2003	134,015	7,588	136,750	37,000	315,353	7.15%	589
2004	166,884	8,174	125,800	11,655	312,513	6.99%	558
2005	170,118	7,933	114,955	11,290	304,296	6.36%	528
2006	197,235	6,979	106,320	10,895	321,429	6.50%	543

Notes:

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data

<sup>2</sup> Values pertaining to the City of Las Vegas Redevelopment Agency have not been included in the above schedule in accordance with the City of Las Vegas Charter

<sup>3</sup> Other Bonds includes the Municipal Golf Course and Municipal Parking Garage.

City of Las Vegas  
Ratios of General Bonded Debt Outstanding  
Last Five Fiscal Years  
(Unaudited)  
(Amounts Expressed in Thousands)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property<sup>1</sup></u>	<u>Per Capita<sup>2</sup></u>
2004	\$ 166,884	\$ 9,012	\$ 157,872	0.48%	\$ 282
2005	170,118	9,233	160,885	0.45%	279
2006	197,235	8,347	188,888	0.40%	319

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Las Vegas  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2006  
 (Unaudited)  
 (Amounts Expressed in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 1,860	26.05%	\$ 485
Subtotal, overlapping debt			
Name of Government direct debt			202,354
Total direct and overlapping debt			\$ <u><u>202,839</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Clark County Assessor.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Las Vegas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the County's boundaries and dividing it by the County's total taxable assessed value.

City of Las Vegas  
 Legal Debt Margin Information  
 Last Five Fiscal Years  
 (Unaudited)  
 (Amounts Expressed in Thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt limit	\$ 1,895,669	\$ 2,120,297	\$ 2,295,962	\$ 2,543,476	\$ 3,295,511
Total net debt applicable to limit	298,864	306,561	303,501	295,063	281,164
Legal debt margin	\$ 1,596,805	\$ 1,813,736	\$ 1,992,461	\$ 2,248,413	\$ 3,014,347

Total net debt applicable to the limit  
 as a percentage of debt limit

**Legal Debt Margin Calculation for Fiscal Year 2006**

Assessed Value	\$ 14,602,642
Add back: exempt real property	1,874,915
Total assessed value	\$ 16,477,557
Debt limit (20% of total assessed value)	3,295,511
Debt applicable to limit:	
General obligation bonds	289,510
Less: Amount set aside for repayment of general obligation debt	8,346
Total net debt applicable to limit	281,164
Legal debt margin	\$ 3,014,347

Notes:

Under state finance law, the City of Las Vegas' outstanding general obligation debt should not exceed 20 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. Values pertaining to the City of Las Vegas Redevelopment Agency have not been included in the above schedule in accordance with the City of Las Vegas Charter.

City of Las Vegas  
Pledged-Revenue Coverage  
Last Five Fiscal Years  
(Unaudited)  
(Amounts Expressed in Thousands)

<u>Fiscal Year</u>	<sup>1</sup> Sewer and Other Charges	<sup>2</sup> Less: Operating Expenses	Net Available Revenue	<sup>3</sup> Debt Service		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
<u>Sewer Revenue Bonds</u>						
2002	\$ 68,410	\$ 32,389	\$ 36,021	\$ 9,825	\$ 8,088	2.01
2003	70,203	34,757	35,446	12,380	7,479	1.78
2004	83,464	38,385	45,079	10,950	6,736	2.55
2005	99,242	41,541	57,701	12,060	5,744	3.24
2006	115,686	44,798	70,888	9,485	4,620	5.03
<u><sup>4</sup> Municipal Golf Course Enterprise Fund</u>						
2002	11	80	(69)	0	351	N/A
2003	1,027	1,376	(349)	0	690	N/A
2004	1,202	1,933	(731)	345	681	N/A
2005	1,515	1,444	71	365	661	0.07
2006	1,433	1,514	(81)	395	641	N/A
<u>Special Assessment Bonds</u>						
	Special Assessment Collections		<u>Debt Service</u>			
			<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>	
2002	\$ 575	\$ 721	\$ 101		0.70	
2003	1,248	895	278		1.06	
2004	1,854	2,813	226		0.61	
2005	1,171	1,772	304		0.56	
2006	1,440	560	293		1.69	

Notes:

<sup>1</sup> Gross revenues include operating income, connection charges and interest income.

<sup>2</sup> Operating expenses exclusive of depreciation.

<sup>3</sup> Includes principal and interest of general obligation revenue and refunding bonds.

<sup>4</sup> Fiscal year 2002 was the first year that bonds were issued for this fund.

City of Las Vegas  
Demographic and Economic Statistics  
Last Five Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u><sup>2</sup> Population</u>	<u><sup>1</sup> Personal Income (amounts expressed in thousands)</u>	<u><sup>1</sup> Per Capita Personal Income</u>	<u><sup>1</sup> Median Age</u>	<u><sup>1</sup> Educational Attainment High School Graduate</u>	<u><sup>1</sup> Educational Attainment Bachelors Degree or Higher</u>	<u><sup>3</sup> School Enrollment (thousands)</u>	<u><sup>4</sup> Unemployment Rate</u>
2002	514,640	\$ 44,593	\$ 23,376	34.9	81.4%	18.7%	82	5.2%
2003	535,269	44,078	21,341	33.4	78.7%	18.9%	85	5.6%
2004	559,824	44,737	24,787	35.5	80.7%	18.1%	87	4.0%
2005	575,973	47,863	24,887	34.8	80.4%	19.6%	85	4.0%
2006	591,536	49,426	24,993	34.6	80.3%	18.8%	89	4.6%

Data SourceS:

<sup>1</sup> City of Las Vegas Office of Business Development

<sup>2</sup> City of Las Vegas Planning Dept

<sup>3</sup> Clark County School District

<sup>4</sup> NV Workforce Investment Board

City of Las Vegas  
Principal Employers  
Current Year

2006			
Employer	Employees	Rank	Percentage of Total County Employment*
Clark County School District	34,000	1	3.80%
State of Nevada	6,000	2	0.67%
Boyd Gaming	6,000	3	0.67%
Las Vegas Metropolitan Police	5,000	4	0.56%
University Medical Center	4,000	5	0.45%
City of Las Vegas	3,100	6	0.35%
Golden Nugget	2,500	7	0.28%
Stratosphere Tower	2,500	8	0.28%
Central Telephone	2,000	9	0.22%
Citibank National Association	2,000	10	0.22%
Bechtel	1,500		0.17%
Cox Communications	1,500		0.17%
Household Credit Services	1,500		0.17%
Nevada Power Company	1,500		0.17%
Summerlin Hospital	1,500		0.17%
	74,600		8.35%

Source: Nevada Dept of Employment

\* Employment figures are for the greater Clark County area. The City of Las Vegas is within Clark County.

City of Las Vegas  
 Full-time Equivalent City Government Positions by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Full-time Equivalent Employees as of June 30

Function	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government	490.00	516.98	539.10	539.11	562.28	583.03	582.73	589.20	561.30	572.83	583.58
Judicial	199.00	205.58	172.48	159.19	168.93	177.11	179.11	186.41	215.26	218.35	222.85
Public Safety	806.00	868.23	898.18	974.01	990.19	1017.16	1107.18	1196.18	1223.88	1274.05	1290.05
Public Works	198.00	179.90	185.90	172.80	170.80	179.10	178.80	180.80	183.80	187.80	191.80
Sanitation	158.00	173.40	184.40	192.40	202.40	202.40	195.40	199.40	198.40	203.40	207.40
Health	29.00	28.00	30.00	28.00	16.00	16.00	16.00	18.00	18.00	18.00	15.00
Welfare	8.00	9.48	9.48	9.47	9.47	9.47	8.47	8.47	8.47	9.95	9.95
Culture & Recreation	382.00	390.70	413.93	411.08	451.46	461.74	431.63	453.51	457.99	472.41	479.57
Economic Development & Assistance	31.00	63.90	70.90	74.48	74.48	79.47	81.43	90.43	88.43	94.48	96.48
Transit Systems	12.00	11.48	11.48	11.47	11.47	10.47	10.47	10.47	8.47	9.47	11.47
<b>Total Government</b>	<u>2313.00</u>	<u>2447.65</u>	<u>2515.85</u>	<u>2572.01</u>	<u>2657.48</u>	<u>2735.95</u>	<u>2791.22</u>	<u>2932.87</u>	<u>2964.00</u>	<u>3060.74</u>	<u>3108.15</u>

Source: City of Las Vegas Final Budget Data

City of Las Vegas  
Operating Indicators by Function  
Last Five Fiscal Years  
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Function</b>					
General Government					
Parking violations	100,734	102,522	103,215	94,413	108,050
Judicial					
Traffic citations	101,152	140,497	104,320	90,903	100,800
Total cases	219,411	198,921	203,811	194,602	232,139
Public safety					
Marshals					
Inmate bookings/releases	28,247	30,558	60,882	40,357	32,946
Fire					
Number of calls answered	65,393	65,592	72,116	75,438	82,030
Inspections	19,071	21,005	21,954	27,161	26,577
Public works					
Asphalt reconstruction (sq yards)	59,906	192,828	196,139	145,309	242,240
Pavement surface treatment (sq yards)	5,751,760	3,366,985	2,155,310	3,448,681	1,563,483
Sanitation					
Number of service connections	147,586	152,583	160,339	169,557	170,136
Daily average treatment in MGD	57.6	66.0	68.4	68.4	70.0
Health					
Animal control					
Number of pick-ups	10,100	10,888	12,051	13,077	11,179
Citations issued	347	550	445	402	259
Culture and recreation					
Number safekey sites	56	57	60	63	66
Grant funds received	283,000	767,869	319,649	875,639	1,082,100
Economic development & assistance					
Code enforcement inspections	42,633	29,918	32,471	32,128	31,703
Number of citizen complaints hotline calls	26,759	25,340	24,710	23,655	26,505
Number of citizens assisted with public service grants	143,510	78,703	115,729	82,318	9,278
Transit Systems					
Ridership	357,684	344,228	412,828	390,172	371,271

Source: Various City of Las Vegas departments

City of Las Vegas  
 Capital Asset Statistics by Function  
 Last Five Fiscal Years  
 (Unaudited)

		Fiscal Year				
		2002	2003	2004	2005	2006
<b>Function</b>						
General government						
	Parking patrol units	12	19	22	24	23
Public safety						
	Marshals					
	Patrol units	28	29	32	36	54
	Fire					
	Fire stations	12	15	15	15	16
Public works						
	Streets (miles)	1,240	1,247	1,262	1,258	1,287
	Streetlights	44,000	48,005	48,365	48,365	50,440
	Traffic signals	2,668	2,820	2,890	3,042	3,164
Sanitation						
	Miles of sanitary sewers	1,369	1,460	1,620	1,581	1,681
	Miles of storm drain channels	235	304	310	330	376
Health						
	Animal control					
	Patrol units	7	7	11	18	18
Culture and recreation						
	Parks acreage	719.45	775.00	778.43	899.82	909.82
	Parks	46	59	60	64	68
	Tennis courts	42	42	42	65	65
	Community centers	6	7	7	7	7
Economic development & assistance						
	Number of newly constructed affordable housing units	308	333	96	200	0
Transit systems						
	Fleet units	7	7	7	10	10

Source: Various City of Las Vegas departments; Budget In Brief publications

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## COMPLIANCE SECTION



**KPMG LLP**  
Suite 2000  
355 South Grand Avenue  
Los Angeles, CA 90071-1568

**Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

The Honorable Mayor, City Council,  
and City Manager  
City of Las Vegas, Nevada:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Las Vegas, Nevada (the City) as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon, dated October 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Nevada Revised Statutes (NRS) 354.241 Sec. 1 ((a) through (f)) and NRS 354.6105 Sec. 4 (a) and (b), which are applicable to funds established by the City, as listed in NRS 354.624 Sec. 4 (c) (1 through 5) and NRS 354.6105, respectively, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor and City Council, and the City management team, as well as the City's federal awarding and pass-through agencies and is not intended to be, and should not, be used by anyone other than these specified parties.

KPMG LLP

October 27, 2006



**SINGLE AUDIT SECTION**

CITY OF LAS VEGAS, NEVADA  
 SCHEDULE OF BUSINESS LICENSE FEES  
 SUBJECT TO THE PROVISIONS OF NRS 354.5989  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Nevada Revised Statutes, Chapter 354.5989 - As required by Nevada Revised Statutes (NRS) 354.624, Sec. 4(a), a schedule of all fees imposed by the City are subject to the provisions of NRS 354.5989. The City may adopt new business license fees only if the revenue from the fees is less than a calculated maximum prescribed by the statute.

FLAT / FIXED FEES:

<u>Base June 30, 2005</u>	*	<u>Growth Factor</u>	=	<u>FY 2006 Maximum Allowable Revenue</u>	\$	<u>FY 2006 Actual Revenue Received</u>	\$	<u>Amount Over/(Under) Allowable</u>
\$ 5,300,436		1.050500		\$ 5,568,108		\$ 4,768,242		\$ (799,866)

FEES CALCULATED ON A PERCENTAGE OF GROSS REVENUE:

<u>Base June 30, 2005</u>	*	<u>Increase in CPI</u>	=	<u>FY 2006 Maximum Allowable Revenue</u>	\$	<u>FY 2006 Actual Revenue Received</u>	\$	<u>Amount Over/(Under) Allowable</u>
\$ 8,105,718		1.0235294		\$ 8,296,441		\$ 8,699,752		\$ 403,311

See accompanying independent auditors' report.

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**KPMG LLP**  
Suite 2000  
355 South Grand Avenue  
Los Angeles, CA 90071-1568

**Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with U.S. Office of Management and Budget Circular A-133**

The Honorable Mayor, City Council,  
and City Manager  
City of Las Vegas, Nevada:

**Compliance**

We have audited the compliance of the City of Las Vegas, Nevada (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The City's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedure disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 06-01 through 06-07.

**Internal Control over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the City as of and for the year ended June 30, 2006, and have issued our report thereon dated October 27, 2006. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor and City Council, the City's management team, as well as the City federal awarding and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

October 27, 2006

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Receipts or Revenues Recognized	Federal Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>					
Direct Programs:					
Community Development Block Grant	* 14.218	B-03-MC320001	\$ 6,207,000	\$ 3,661,070	\$ 3,661,070
		B-03-MC320001	6,122,000	4,319,755	4,319,755
Emergency Shelter Grant	14.231	S-04-MC320001	227,048	48,011	48,011
	14.231	S-05-MC320001	223,918	187,814	187,814
Housing Opportunities for Persons with Aids	* 14.241	NVH03F001	933,000	468,029	468,029
		NVH04F001	916,000	916,000	916,000
		NVH05F001	886,000	180,632	180,632
Subtotal U.S. Department of Housing and Urban Development			15,514,966	9,781,311	9,781,311
Passed through programs:					
Passed through Clark County:					
Home Investment in Affordable	* 14.239	M99-DC32-0224	1,698,094	4,110	4,110
Housing (HOME Program)	* 14.239	M00-DC32-0224	1,439,920	48,363	48,363
	* 14.239	M01-DC32-0224	1,683,371	469,686	469,686
	* 14.239	M02-DC32-0224	1,678,648	278,682	278,682
	* 14.239	M03-DC32-0224	2,565,256	521,275	521,275
	* 14.239	M04-DC32-0224	2,864,232	171,620	171,620
Subtotal U.S. Department of Housing and Urban Development			11,929,521	1,493,736	1,493,736
Total U.S. Department of Housing and Urban Development			27,444,487	11,275,047	11,275,047
<u>U.S. Department of Health and Human Services</u>					
Passed through State:					
Department of Human Resources					
Division for Aging Services					
Senior Law Project	93.044	0309-11-06	125,000	125,000	125,000
Independent Living Grant	93.044	0309-11-06L	75,000	56,200	56,200
Passed through Economic Opportunity Board					
Child Care Improvement	93.596		140,000	110,282	110,282
Total U.S. Department of Health and Human Services			340,000	291,482	291,482

\* Denotes major federal program

continued

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Receipts or Revenues Recognized	Federal Disbursements/ Expenditures
<u>U.S. Department of Energy</u>					
Direct Programs:					
Hydrogen-Natural Gas Vehicle Program	81.087	DE-FC36-04GO14263	149,029	110,000	110,000
Passed through Clark County:					
Nuclear Waste Disposal Siting High Level Nuclear Waste Project	81.065		70,000	64,451	64,451
Total U.S. Department of Energy			<u>219,029</u>	<u>174,451</u>	<u>174,451</u>
<u>U.S. Department of Homeland Security</u>					
Direct Programs:					
COPS Interoperable Communications	97.055	2003INWX0012	5,996,103	131,240	131,240
Metropolitan Medical Response System	97.071	EMW-2004-GR-0726	400,000	162,991	162,991
Subtotal U.S. Department of Homeland Security			<u>6,396,103</u>	<u>294,231</u>	<u>294,231</u>
Passed through programs:					
Passed through State:					
Division of Emergency Management					
Emergency Management Project	97.042	9704205	179,592	55,563	55,563
Emergency Management Project	97.042	9704206	179,592	127,206	127,206
State Homeland Security - ODP Ph V	97.067	97073HL5	745,000	321,513	321,513
Citizen Corps Program	97.053	97004CL4	221,614	98,255	98,255
Citizen Corps Program	97.053	97053CL5	56,828	47,857	47,857
Urban Area Security Initiative - ODP V	97.008	9700805	43,172	31,162	31,162
Law Enforcement Terrorism Prevention	97.004	97004LL4	54,340	53,012	53,012
Subtotal U.S. Department of Homeland Security			<u>1,480,138</u>	<u>734,568</u>	<u>734,568</u>
Passed through Clark County:					
State Homeland Security - ODP Ph IV	97.067	97004HL4	230,007	9,097	9,097
DOJ Equipment - ODP Phase I	97.004	1600703	587,584	48,750	48,750
Urban Area Security Initiative	97.008	9700804	1,158,732	592,780	592,780
Subtotal U.S. Department of Homeland Security			<u>1,976,323</u>	<u>650,627</u>	<u>650,627</u>
Total U.S. Department of Homeland Security			<u>9,852,564</u>	<u>1,679,426</u>	<u>1,679,426</u>
<u>U.S. Department of Education</u>					
Passed through programs:					
Passed through State of Nevada					
Child and Adult Food Program	10.588	03-44-2000-000	109,565	109,565	109,565
Total U.S. Department of Education			<u>109,565</u>	<u>109,565</u>	<u>109,565</u>

continued

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Receipts or Revenues Recognized	Federal Disbursements/ Expenditures
<u>U.S. Department of Labor</u>					
Passed through Programs:					
Passed through SNWIB:					
WIA Dislocated Workers	17.260		450,000	444,374	444,374
Total U.S. Department of Labor			<u>450,000</u>	<u>444,374</u>	<u>444,374</u>
<u>U.S. Department of the Interior</u>					
Direct Programs:					
Distribution of Receipts to Local Govts	15.227	NAF04LV02	3,710,000	1,170,061	1,170,061
Distribution of Receipts to Local Govts	15.227	NAF04LV03	13,310,000	713,891	713,891
Distribution of Receipts to Local Govts	15.227	NAF04LV04	1,740,000	23,353	23,353
Distribution of Receipts to Local Govts	15.227	NAF04LV05	4,520,000	140,604	140,604
Distribution of Receipts to Local Govts	15.227	NAF04LV06	2,112,000	229,142	229,142
Distribution of Receipts to Local Govts	15.227	NAF04LV07	4,990,000	653,549	653,549
Distribution of Receipts to Local Govts	15.227	NAF05LV08	814,000	100,562	100,562
Distribution of Receipts to Local Govts	15.227	NAF05LV11	550,000	338,681	338,681
Distribution of Receipts to Local Govts	15.227	NAF05LV10	4,410,000	190,358	190,358
Distribution of Receipts to Local Govts	15.227	NAF05LV09	514,000	22,913	22,913
Distribution of Receipts to Local Govts	15.227	NAF05LV18	29,620,800	8,242,217	8,242,217
Distribution of Receipts to Local Govts	15.227	NAF05LV13	5,227,200	441,862	441,862
Distribution of Receipts to Local Govts	15.227	NAF05LV16	42,049,920	1,751,979	1,751,979
Distribution of Receipts to Local Govts	15.227	NAF05LV17	1,626,240	60,165	60,165
Distribution of Receipts to Local Govts	15.227	LV14	9,600,000	271,977	271,977
Distribution of Receipts to Local Govts	15.227	LV15	2,323,200	34,000	34,000
Distribution of Receipts to Local Govts	15.227	CC06	396,275	346,334	346,334
Subtotal U.S. Department of the Interior			<u>127,513,635</u>	<u>14,731,648</u>	<u>14,731,648</u>
Passed through State:					
Historic Preservation	15.904	32-04-19329(6)	40,000	23,947	23,947
Historic Preservation	15.904	32-05-20430(3)	32,000	5,920	5,920
Subtotal U.S. Department of the Interior			<u>72,000</u>	<u>29,867</u>	<u>29,867</u>
Total U.S. Department of Interior			<u>127,585,635</u>	<u>14,761,515</u>	<u>14,761,515</u>
<u>U.S. Department of Transportation</u>					
Passed through State:					
DUI Impaired Driving Program	20.600	25-AL-1	160,000	106,279	106,279
Total U.S. Department of Transportation			<u>160,000</u>	<u>106,279</u>	<u>106,279</u>

continued

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Receipts or Revenues Recognized	Federal Disbursements/ Expenditures
<u>National Endowment for the Arts</u>					
Passed through State:					
Partners in Excellence	45.025	PIEII:4:03	6,674	6,674	6,674
Total National Endowment for the Arts			<u>6,674</u>	<u>6,674</u>	<u>6,674</u>
<u>U.S. Department of Justice</u>					
Direct Programs:					
BJA Congressionall Mandate	16.580	2004-DD-BX-1452	395,750	102,893	102,893
State Criminal Alien Assistance Program	16.606	2006-AP-BX-0503	70,837	70,837	70,837
Subtotal U.S. Department of Justice			<u>466,587</u>	<u>173,730</u>	<u>173,730</u>
Passed through programs:					
Passed through State:					
Office of the Attorney General					
Violence Against Women Grant	16.588	2004-STOP-13	55,000	29,336	29,336
Violence Against Women Grant	16.588	2005-STOP-09	61,000	39,834	39,834
Violence Against Women Grant	16.588	2005-STOP-37	23,000	23,000	23,000
Division of Child & Family Services					
Victims of Crime Act Grant	16.575	04-30-VOCA	138,000	60,915	60,915
Subtotal U.S. Department of Justice			<u>277,000</u>	<u>153,085</u>	<u>153,085</u>
Total U.S. Department of Justice			<u>743,587</u>	<u>326,815</u>	<u>326,815</u>
Total Federal Assistance			<u>\$ 166,911,541</u>	<u>\$ 29,175,628</u>	<u>\$ 29,175,628</u>

See accompanying notes to schedule of expenditures of federal awards and independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with U.S. Office of Management and Budget Circular A-133.

CITY OF LAS VEGAS, NEVADA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(1) Reporting Entity**

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal awards programs of the City of Las Vegas, Nevada (the "City") for the year ended June 30, 2006. The City's reporting entity is defined in Note 1 to its general purpose financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**(2) Basis of Accounting**

The accompanying supplementary schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes and lapse at fiscal year end.

**(3) Relationship to General Purpose Financial Statements**

The total expenditures and transfers listed in the general purpose financial statements consists partly of expenditures and transfers of federal award funding. The fund and amount they are included in is listed below:

Capital Projects Fund	\$	14,731,648
Special Revenue Funds		<u>14,443,980</u>
	\$	<u><u>29,175,628</u></u>

**(4) Subrecipient Expenditures**

The total amount provided to subrecipients from each federal program for the fiscal year ended June 30, 2006 is listed below:

Community Development Block Grant (CFDA Number 14.218)	\$	7,720,180
Emergency Shelter Grant (CFDA Number 14.231)		224,629
Housing Opportunities for Persons with Aids (CFDA Number 14.241)		1,564,099
HOME Program (CFDA Number 14.239)		<u>3,613,979</u>
	\$	<u><u>13,122,887</u></u>

**(5) Economic Development Funds**

The City of Las Vegas received federal funding in a prior year from the U.S. Department of Commerce, Economic Development Administration (EDA), for the purposes of funding and operating a Revolving Loan Fund Program (CFDA Number 11.307). Resources are presented below:

Loan Receivable Balance June 30, 2006	\$	284,302
Revolving Loan Fund Assets:		
Cash		<u>135,427</u>
Total Value of Revolving Loan Fund	\$	<u><u>419,729</u></u>

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(1) Summary of Auditors' Results**

**Financial Statements**

- (a) Type of auditors' report issued on the basic financial statements: **Unqualified.**
- (b) Internal control over financial reporting:
1. Material weakness identified: **None noted.**
  2. Reportable condition(s) identified that are not considered to be a material weakness:  
**None reported.**
- (c) Instances of noncompliance which may be material to the basic financial statements. **None noted.**

**Federal Awards**

- (d) Internal control over major programs:
1. Material weakness identified: **None noted.**
  2. Reportable condition(s) identified that are not considered to be a material weakness:  
**None reported.**
- (e) Type of auditors' report issued on compliance for major programs: **Unqualified opinion.**
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **Yes – see findings No. 06-01 through 06-07.**
- (g) Major programs
- U.S. Department of Housing and Urban Development
- Community Development Block Grant – CFDA 14.218
  - HOME Investment Partnership Program – CFDA 14.239
  - Housing Opportunities for Persons With Aids – CFDA 14.241
- (h) Dollar threshold used to distinguish between Type A and Type B Programs: **\$875,269**
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133. **Yes**

**(2) Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

**None noted.**

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year:**

**Finding No. 06-01**

**Program**

**U.S. Department of Housing and Urban Development  
Community Development Block Grant – CFDA 14.218**

**Condition:** The Activity Summary Report and the CDBG Financial Summary Report were not submitted to the Department of Housing and Urban Development within ninety (90) days after the City's fiscal year end June 30, 2006. As of 10/20/06, the required reports were not submitted to HUD.

**Criteria:** The Office of Management and Budget Compliance Supplement (A-133) notes the following criteria:

1. Financial Reporting
  - a. SF-272, *Federal Cash Transactions Report* – Applicable
  - b. *Integrated Disbursement and Information Systems (IDIS) (OMB No. 2506-0077)* – Grantees may include reports generated by IDIS as part of their annual performance and evaluation report that must be submitted for the CDBG Entitlement Program 90 days after the end of a grantee's program year.

**Effect:** No significant financial impact. However, continuing to delay the required financial reports to HUD may prevent the Department of Housing and Urban Development from evaluating the City's CDBG program's financial performance in a timely manner.

**Recommendation:** We recommend that the City of Las Vegas strengthen its internal controls over the reporting requirement to ensure the financial reports are submitted within the allotted timeframe.

**Questioned Costs:** None noted.

**Views of Responsible Officials and Planned Correction Action:** According to the HUD representative, the HUD regulations do not allow for extensions of the CAPER deadline. HUD notes that the CAPER is being turned in after the 90 days deadline on the CAPER checklist form that is turned in with the CAPER. The CAPER, including all IDIS reports will be submitted by November 14<sup>th</sup>, this will allow for the 15 days of public comment.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-02**

**Program**

**Housing Opportunities for Persons with Aids – CFDA 14.241**

**Condition:** The City of Las Vegas carries out the HOPWA program through program sponsors (i.e., Golden Rainbow, Aid for Aids of Nevada, etc). Program sponsors incur administrative expenditures (payroll, etc.) as they carry out the programs on behalf of the City.

Upon reviewing the program sponsor level administrative expenses, one program sponsor (Women’s Development Center) incurred administrative expenses above the allowable/earmarked limit of 7%. The program sponsor incurred administrative expenditures of approximately 7.7% (relative to the amount allocated to the sponsor).

**Criteria:** The HOPWA program specific compliance supplement states:

Each grantee may not use more than three percent of the grant amount for its own administrative costs relating to administering grant amounts and allocating such amounts to project sponsors (subrecipients).

**Effect:** No significant financial impact. However, failure to monitor and control administrative expenditures can lead to excessive expenditures for administrative purposes.

**Recommendation:** The City of Las Vegas needs to strengthen its monitoring and control environment in order to ensure Program Sponsors do not incur administrative expenses above the allowable/earmarked limit of 7%. A continuous monitoring process throughout the year (quarterly, semi-annually, etc.) would ensure program sponsors do not exceed the allowable limit.

**Questioned Costs:** Excess program sponsor administrative expenses exceeding 7% maximum allowance - \$336.

**Views of Responsible Officials and Planned Correction Action:** The Administrative expenses category of the budget was not added correctly by project sponsor and grantee staff. However, at least \$336 of expenses from this category may be considered program expenses such as program related salaries. The City will continue to monitor the 7% maximum allowance for administrative expenses.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-03**

**Program**

**Housing Opportunities for Persons with Aids – CFDA 14.241**

**Condition:**

The City was not in compliance with the following reporting requirements:

1. The annual progress report, (HUD-40110, OMB No. 2506-0133) is due 90 days after the close of the program year and was not submitted on time as of 10/17/06.
2. The City did not submit to HUD and the public the Consolidated Annual Performance and Evaluation Report (CAPER) after the close of the fiscal year. Additionally, the City did not comply with the grant agreement by not providing “The HOPWA Performance Summary Charts for End of Program Year Reporting”.

**Criteria:**

The Office of Management and Budget Compliance Supplement (A-133) notes the following criteria:

1. Financial Reporting
  - a. HUD-40110, *Annual Progress Report (OMB No.2506-0133)* – This report is due from each grantee within 90 days after the close of its program year. Separate reports are required for formula and competitive grants.

The following additional compliance requirement per the Grant agreement was noted.

After the close of the year, grantees must provide HUD and the public with their actual accomplishments by submitting a CAPER and in providing complete data for the program year in Integrated Disbursement and Information System (IDIS). Together, the two reports will include information on accomplishments and data on beneficiaries, activities and expenditures.

**Effect:**

No significant financial impact. However, continuing to delay the required financial reports to HUD may prevent the Department of Housing and Urban Development from evaluating the City’s CDBG program’s financial performance in a timely manner.

**Recommendation:**

The City of Las Vegas needs to strengthen its internal controls over the reporting requirement to ensure the financial reports are submitted within the allotted timeframe as well as all necessary and required reporting information is completed.

**Questioned Costs:**

None noted.

**Views of Responsible Officials and Planned Correction Action:**

According to the HUD representative, the HUD regulations do not allow for extensions of the CAPER deadline. HUD notes that the CAPER is being turned in after the 90 days deadline on the CAPER checklist form that is turned in with the CAPER. The CAPER, including all IDIS reports will be submitted by November 14th, this will allow for the 15 days of public comment.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-04**

**Program**

**HOME Investment Partnership Program (HOME) – CFDA 14.239**

**Condition:**

Upon reviewing twenty five (25) HOME participant files, one participant file did not have the proper income documentation to determine proper eligibility for Tenant Based Rental Assistance (TBRA). Upon review of the file, Catholic Charities (one of the program's subrecipients and program sponsors) noted the participant did hold a full time job at the time of initial assistance. However, they failed to properly provide adequate documentation of the income.

**Criteria:**

The program specific compliance supplement notes the following compliance requirements:

- a. The HOME Program has income targeting requirements. Only low-income or very low-income persons, as defined in 24 CFR section 92.2, can receive housing assistance (24 CFR section 92.1). Therefore, the participating jurisdiction must determine if each family is income eligible by determining the family's annual income, as provided for in 24 CFR section 92.203. Participating jurisdictions must maintain records for each family assisted (24 CFR section 92.508).
- b. HOME-assisted units in a rental housing project must, pursuant to 24 CFR 92.216(a), be occupied only by households that are eligible as low-income families and must meet certain limits on the rents that can be charged. The requirements also apply to the HOME-assisted non-owner-occupied single-family housing purchased with HOME funds.
- c. A participating jurisdiction may use HOME funds for tenant-based rental assistance, as provided for in 24 CFR section 92.209(b). The participating jurisdiction must select families in accordance with policies and criteria consistent with those provided in 24 CFR section 92.209(c).

The Code of Federal Regulations the lists the following compliance requirement pertaining to tenant based rental assistance.

- c) Tenant selection. The participating jurisdiction must select families in accordance with written tenant selection policies and criteria that are consistent with the following:
  - (1) Low-income families. Tenant-based rental assistance may only be provided to very low- and low-income families. The participating jurisdiction must determine that the family is very low-or low-income before the assistance is provided. During the period of assistance, the participating jurisdiction must annually determine that the family continues to be low-income.

**Effect:**

Failure to properly document participant income may lead to providing aid to ineligible program participants. The financial impact is unknown. However, all income documentation was properly included for the rest of the twenty four (24) program participants. There may be an effect of having costs associated with providing assistance to potentially ineligible participants.

**Recommendation:**

The City of Las Vegas Neighborhood Services Department needs to increase their monitoring of eligibility documentation by the subrecipients/program sponsors. Participants' files should be reviewed to ensure the proper income eligibility is properly included within the participants' files.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-04 (continued)**

**Program**

**HOME Investment Partnership Program (HOME) – CFDA 14.239**

**Views of Responsible  
Officials and Planned  
Correction Action:**

It is the policy of the City of Las Vegas to monitor HOME funding recipients on an annual basis. In the performance of this monitoring, client files will be selected for review to determine that the recipient has complied with HUD income guidelines in determining the eligibility of the clients served. In compliance with HUD monitoring guidelines, the City would have examined 20% of the client files; in this case we would have selected twelve (12) files at random. The auditor selected twenty-five (25).

The program year for this program is the twelve month period ending June 30, 2006. Because of the late start that Catholic Charities got in activating this program, the first clients were not serviced until April 2006, a monitoring visit was not performed. However, staff will be monitoring this program before December 31, 2006.

On November 2, 2006, staff traveled to Catholic Charities to review the identified file. There is no evidence of employment in the file, only a note in the “Intake” that a recipient had interviewed at the Fiesta Hotel for the position of housekeeper, and had been promised employment in the future. In addition, the file reveals that the recipient had been hospitalized in August 2006. The Intake Technician responsible for this file has been relieved of this duty.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-05**

**Program**

**HOME Investment Partnership Program (HOME) – CFDA 14.239**

**Condition:**

The City does not comply with all the reporting requirements set forth by the Department of Housing and Urban Development. Refer to the compliance requirement below. (Note: The city is in compliance with reporting requirement #1 below, not #2).

**Criteria:**

The grant agreement lists the following reporting compliance requirement.

1. For HOME participating jurisdictions, the report shall include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations;
2. An assessment of the jurisdiction's affirmative marketing actions and outreach to minority-owned and women-owned businesses, and data on the amount and use of program income for projects, including the number of individuals assisted and the types of assistance provided.

**Effect:**

No significant financial impact.

**Recommendation:**

The City of Las Vegas needs to include the necessary reporting requirements stipulated in the grant agreement as set forth by the Department of Housing and Urban Development. Proper controls should be implemented to ensure all necessary reporting requirements are met.

**Questioned Costs:**

None Noted.

**Views of Responsible  
Officials and Planned  
Correction Action:**

The audit has found that monitoring procedures have not addressed the issues of affirmative marketing action, outreach to minority-owned and women-owned businesses and use of program income for projects. In response to this finding, management has instructed monitoring staff to include these items in their future procedures.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-06**

**Program**

**HOME Investment Partnership Program (HOME) – CFDA 14.239**

**Condition:** Upon reviewing 100% of completed rehabilitation projects for environmental reviews, two (2) of the reviews were not properly approved and reviewed.

**Criteria:** The Code of Federal Regulations program specific states:  
§92.352 Environmental Review

(b) *Responsibility for review.* (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

**Effect:** No significant financial impact. However, failure to properly review and approve environmental reviews may lead to unforeseeable expenditures and negative environmental consequences.

**Recommendation:** The City of Las Vegas' Neighborhood Service Department should ensure all environmental reviews conducted are carefully reviewed and approved.

**Questioned Costs:** None Noted.

**Views of Responsible Officials and Planned Correction Action:** The audit has found that two (2) completed rehabilitation projects were not properly approved and reviewed with regard to environmental review. Staff responsible for such approval and review has advised that the completed review forms were inadvertently placed in the file without prior approval. Rehabilitation procedures have since been amended to preclude the recurrence of such an event.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(3) Findings Relating to Federal Awards - Current Year (continued):**

**Finding No. 06-07**

**Program**

**HOME Investment Partnership Program (HOME) – CFDA 14.239**

**Condition:** Upon reviewing 8 completed rehabilitation projects, one (1) completed project’s appraisal amount exceeded 95% of the Federal Housing Authority’s mortgage limit.

**Criteria:** The program specific compliance supplement states:

The per unit investment of HOME funds may not exceed the Federal Housing Administration (FHA) mortgage limits in Subsection 221(d)(3) of the National Housing Act, including any area-wide high cost exceptions approved by HUD. This information should be available from the grantee or the local HUD field office. In mixed-income or mixed-use projects, the average per unit investment in HOME-assisted units may not exceed the applicable Subsection 221(d)(3) limit. Participating jurisdictions are required to evaluate each housing project in accordance with guidelines that it adopts to ensure that the combination of Federal assistance to the project is not any more than is necessary to provide affordable housing (24 CFR section 92.250).

**Effect:** There is a financial impact associated with providing assistance for rehabilitation projects in which their after rehabilitation appraisal value exceeds 95% of the Federal Housing Authority’s mortgage limit. Providing assistance for ineligible rehabilitation projects will lead to a significant financial impact.

**Recommendation:** The City of Las Vegas’ Neighborhood Service Department monitor and strengthen controls in order to ensure the rehabilitation appraisal amounts do not exceed the federal housing authority limits.

**Questioned Costs:** \$2,127.37

**Views of Responsible Officials and Planned Correction Action:** The audit has revealed one (1) instance where a rehabilitated residence had an appraised value that exceeded 95% of the FHA mortgage limits.

This occurred during a period of rapidly increasing residential prices and represents a single aberration from the norm. Because of the very small amount of the repairs, \$2,127.37, the City was able to cure the breach of program regulations by converting the repairs from a HOME Direct Loan to a CDBG Grant.

CITY OF LAS VEGAS, NEVADA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**(4) Findings Relating to Federal Awards - Prior Year:**

**Finding No. 05-01**

**Program**

**U.S. Department of Housing and Urban Development  
Community Development Block Grant – CFDA 14.218**

**Finding:**

The City did not comply with the Period of Availability of Federal Funds. Based upon timelines ratio data, the funding ratio of 1.89 as of May 2, 2005 exceeded the maximum allotted ratio of 1.5 set by HUD due to unanticipated delays for a housing project.

**Current Year's Status:**

Neighborhood Services Department has closely monitored housing projects to ensure that the Period of Availability of Federal Funds was met for Fiscal Year Ended June 30, 2006 and will continue to monitor projects in future fiscal years.

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